



U.S. Department of State FY 2000 Country Commercial Guides: Nicaragua

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CHAPTER I.

EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Nicaragua's commercial environment, using economic, political, and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee, a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. embassies through the combined efforts of several U.S. government agencies.

• MAJOR ECONOMIC AND POLITICAL TRENDS

Nicaragua has made progress since 1990 in consolidating democratic institutions and in fostering economic growth. Arnaldo Aleman became Nicaragua's president in January 1997. The two largest political forces in the National Assembly are the pro-government Liberal Alliance and the Sandinista front (FSLN). The Government has generally been able to get its initiatives through the Assembly with the support of several of the smaller parties.

Nicaragua's economy grew by 4.0 percent in 1998, down from 5.0 percent in 1997, reflecting the damage caused by Hurricane Mitch in October 1998. For 1999, estimates for real GDP growth range from 5.0 to 6.3 percent (the higher figure is the government's estimate). This robust growth is being led by commerce, services, agriculture, and construction -- residential, commercial and public. Nevertheless, Nicaragua's GDP is only \$2.1 billion and per capita GDP is an estimated \$441, the second lowest in the Western Hemisphere. In March 1998, the International Monetary Fund approved an Enhanced Structural Adjustment Facility for Nicaragua. As part of the IMF program, the Nicaraguan government agreed to implement an aggressive policy directed at cutting the government fiscal deficit, implementing structural reforms, and maintaining overall monetary stability. International support for Nicaragua in the aftermath of Hurricane Mitch has been significant.

At the Consultative Group meeting in Stockholm in May 1999, donor countries pledged \$9 billion for Central American reconstruction, \$2.5 billion of which is earmarked for Nicaragua. The United States and other donor countries in the Paris Club also deferred Nicaragua's debt payments until early 2001. With a foreign debt of more than \$6 billion, Nicaragua has one of the highest per capita debts in the world. Nicaragua -- by continuing to maintain its IMF program targets -- seeks significant debt forgiveness in 1999 through the Highly Indebted Poor Country (HIPC) initiative.

• OVERVIEW OF IMPORT MARKET

Nicaragua is essentially an agricultural country with a small manufacturing base. It is dependent on imports for most manufactured, processed, and consumer items. In recent years the government has liberalized the foreign trade regime, sharply reduced tariffs, and eliminated most non-tariff barriers and foreign exchange controls. The Aleman government is firmly committed to taking further market-opening measures. As proof of that commitment, in 1999 the National Assembly passed an amendment to the "Ley de Justicia Tributaria" (Tax Justice Law), which will provide additional tax reductions. The National Assembly also enacted further legislation implementing the consumer protection law.

The U.S. remains Nicaragua's largest trading partner by far. Two-way trade in 1998 totaled \$790 million (of which \$453 million were Nicaraguan exports to the U.S. and \$337 million were U.S. exports to Nicaragua). These figures have risen steadily in recent years and are expected to continue to do so. Nicaraguan consumers maintain a decided bias in favor of American products and U.S.-style services. Emblematic of this bias were the openings over the last year of several McDonald's and a TGI Friday's.

- **MAJOR BUSINESS OPPORTUNITIES**

Best prospects for U.S. sales include agricultural commodities, fertilizer, farm equipment, food processing/packaging machinery, medical supplies, data processing equipment, electrical equipment, franchising, construction equipment, and U.S. motor vehicles and spare parts. Best investment opportunities exist in export-oriented manufacturing, tourism, mining, and agriculture. There may also be opportunities in road building, water system construction, and electricity generation.

- **MAJOR ROADBLOCKS TO DOING BUSINESS**

The major roadblocks are:

- Unpredictability of enforcement of contracts and a cumbersome legal system. The enforcement of judicial rulings is sometimes uncertain. Although the government is working to establish clear rules applicable to all, the rules of the game are sometimes changed by sudden government decree or political considerations which can significantly disrupt business planning. Requests for bribes do occur.

- Slow resolution of Sandinista-era property claims (including U.S. citizen properties). Potential investors should consult a local attorney to verify property titles before purchasing property.

- High operating costs in terms of transportation, electricity, and telephone. Power outages also lead to higher costs.

- An incomplete intellectual property rights regime. The Aleman government signed a bilateral IPR agreement with the U.S. and is working to improve domestic legislation. New copyright legislation was passed July 5, 1999, which will greatly strengthen copyright protection once the law is published in the official government gazette. Penalties will be phased in over a 12-month period. The National Assembly is considering laws to protect developers of new plant varieties and information sent by satellite and other signal carriers. The government is working on laws to protect integrated circuit designs and well-known trademarks. An updated patent law is also being reviewed before being sent to the national assembly.

- Arbitrary or slow bureaucracy. Doing business in Nicaragua can sometimes mean becoming involved with slow-moving government approvals. Foreign investors also complain about arbitrary customs procedures and valuations.

- **NATURE OF LOCAL AND THIRD COUNTRY COMPETITION**

Nicaragua's major trading partners are the U.S., Western Europe, and Central America. Nicaragua's industrial sector is small, so local competition for processed and manufactured products is non-existent for many products.

CCGs are available for U.S. exporters from the National Trade Data Bank on CD-ROM or via the Internet. Contact STAT-USA at 1-800-STAT-USA. CCGs can be accessed on the Internet at www.state.gov/, www.stat.usa.gov, and www.mac.doc.gov. They can also be ordered in hard copy or diskette from the National Technical Information Service at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce's Trade Information Center at 1-800-USA-TRADE or U.S. Embassy Managua's Economic/Commercial Section (www.usia.gov/posts/managua).

CHAPTER II. ECONOMIC TRENDS AND OUTLOOK

- **MAJOR TRENDS AND OUTLOOK**

Nicaragua's economy grew by 4.0 percent in 1998, down from 5.0 percent in 1997, and short of the 6.0 percent expected before Hurricane Mitch took its toll in production, infrastructure, and human lives. The primary sector (agriculture, livestock and fishing) was the most affected, with the growth rate falling from 8.3 in 1997 to 4.2 in 1998. The secondary sector (manufacturing, construction and mining) also saw its growth rate slow from 5.7 to 4.0 percent from 1997 to 1998. Private investment, from both domestic and foreign sources, is rising and the private banking sector continues its expansion. Nevertheless, GDP per capita is only an estimated \$441, the second-lowest in the hemisphere. The unemployment rate fell from 14.3 percent in 1997 to 12.3 percent in 1998. The combined rate of unemployment and underemployment was 25.5 percent.

The administration of President Arnoldo Aleman signed an ESAF (Enhanced Structural Adjustment Facility) program with the International Monetary Fund in January 1998 and continues its concerted drive to modernize the economy and open it to foreign trade and investment. Accomplishments over the past year include passage of an austerity government budget, streamlining the government, signing of a market-opening free trade agreement with the Dominican Republic, and passage of a modern copyright law.

Prospects look good for sustained rapid economic growth beyond 1999. However, success depends on the government's ability to stay on track with its ESAF, make significant progress in resolving property disputes, strengthen the rule of law, and take other steps to remove obstacles to private investment. The National Assembly passed in May 1999 a Tourism Incentives Law that may generate increased interest on the part of potential investors, especially Japanese, Taiwanese and Europeans.

- **PRINCIPAL GROWTH SECTORS**

Agriculture, manufacturing, mining, telecommunications, tourism and construction are the principal growth sectors for the next few years.

Agriculture: Agricultural production (including farming, livestock, fisheries and forestry) accounts for 26.7 percent of Nicaragua's GDP and two-thirds of exports. The sector grew 4.2 percent in 1998, down from 8.3 percent in 1997, as a consequence of the passage of Hurricane Mitch. The Nicaraguan government, as well as the international donor community, is placing great emphasis on agricultural reactivation. Farming grew 7.2 percent in 1998, down from 9.7 percent in 1997. Fishing grew only 1.5 percent, down from 6.5 percent in 1997. In 1998, the livestock industry shrunk 1.8 percent, due to factors such as international beef prices, Hurricane Mitch damage, limited credit and other factors. Over the long term, Nicaragua's low population density and ample grazing land offer potential for further expansion of the livestock sector.

Manufacturing: Export-oriented manufacturing at Nicaragua's Free Trade Zone rose 6 percent in 1998 to \$172.8 million. As of June 1999, ten U.S. firms operated in the government-owned zone and another two in the private free trade zone "Zona Franca Index."

Mining: Foreign investors are very active in Nicaragua's mines. In addition, several companies have won concessions for new exploration. Some 124,100 troy ounces of gold were produced in 1998, a 54 percent increase over 1997 and 67,300 troy ounces of silver were produced in 1998, which represents a 98 percent increase over 1997.

Telecommunications: The government has failed to privatize ENITEL for a second time. However, the government plans to initiate a capitalization process which entails a re-engineering process, and the seeking of additional capital through stock offerings. Cellular telephone service, private leased-line services, paging and trunked radio service are all presently offered in Nicaragua by private companies under license from ENITEL.

Tourism: 381,600 tourists visited Nicaragua in 1998, up 13.2 percent over 1997. The country expects to host over 450,000 visitors a year by the end of the decade (80,000 of whom will be Americans). This industry offers good opportunities for foreign investment (especially in eco-tourism and beach-related projects). Several major projects, including three first-class hotels in Managua, are under construction and are expected to be completed in late 1999. The Hotel Princess opened its doors in late 1998. An expansion has also been completed at Nicaragua's world-class Pacific Ocean beach resort at Montelimar (including a recently upgraded airfield).

Construction: Construction saw strong growth (8.6 percent) in 1998 for the fifth year running. Business and residential construction are expected to continue to rebound in the coming years after two decades of relative stagnation.

• GOVERNMENT ROLE IN THE ECONOMY

Since 1990, all state monopolies except for public utilities have been eliminated, virtually all price controls have been phased out, and more than 300 state enterprises have been privatized. The Government retains a handful of state enterprises in non-utility areas, such as banking, insurance, a cement company, and others. Doing business in Nicaragua can still mean becoming involved with slow-moving bureaucratic approvals and foreign investors continue to report instances of government officials refusing to perform routine services unless bribes are paid, or offering government contracts

in exchange for compensation. In addition, despite significant streamlining in recent years, Nicaragua's legal and regulatory framework remains cumbersome and an impediment to investment.

- **BALANCE OF PAYMENTS SITUATION**

Nicaragua suffers from a chronic external accounts deficit. Despite growing export and tourism earnings and government progress on structural adjustment measures and foreign debt reduction, the country remains highly dependent upon donor assistance to balance its accounts. This dependence will continue for the foreseeable future. The current account deficit in 1998 was \$804 million (out of a GDP of \$2.1 billion). That deficit was covered by net official capital transfers of \$328 million and net private capital transfers of \$325.3 million.

- **INFRASTRUCTURE SITUATION: GOODS/SERVICES DISTRIBUTION**

Ports: Because of poor infrastructure and high operating expenses, most containerized sea cargo and fresh fruit are shipped by highway to and from Puerto Limon in Costa Rica and Puerto Cortes in Honduras. Nicaragua has six seaports, all of which are operated by the Government-run Port Authority (ENAP). The most suitable for commercial shipping is the Port of Corinto located on the Pacific coast, 110 miles northwest of Managua. The Port Authority is improving Corinto's facilities and hopes that the result will sharply increase the port's competitiveness. Puerto Sandino, also located on the Pacific Coast, is primarily used for the import of crude petroleum. The remaining Pacific port of San Juan del Sur has limited capacity and uses barges to load and unload cargo. On the Atlantic Coast, Nicaragua has three seaports (El Bluff, El Rama and Puerto Cabezas). El Bluff and Puerto Cabezas are basically piers and handle limited cargo. El Rama is a roll-on, roll-off port and is located on the Rama River, 40 miles from the coast. Most containerized sea cargo and fresh fruit are transported by highway to Puerto Limon in Costa Rica or Puerto Cortes in Honduras.

Airport: Managua International Airport (located 7 miles east of the city center) has separate cargo facilities constructed in 1995. On average, there are six scheduled all-cargo flights per week to and from Managua, which primarily carry cargo to and from the U.S. and Central America. The main cargo carriers are Fine Airlines (based in Miami) and TACA Airlines. In addition, most passenger airlines, including American and Continental, maintain some cargo capacity. A 3,500 cubic foot cold storage facility at the airport opened in 1996.

Highways: There are approximately 11,800 miles of roads in Nicaragua, approximately 2,600 of them paved. The majority of the paved roads are located in the western part of the country. The Pan-American Highway runs north-south through Nicaragua on the Pacific side and carries the majority of overland cargo. There is no all-weather east-west road. A secondary highway runs from Managua to the interior port town of El Rama, from where there is river transport to Bluefields. The unpaved road that winds from Managua to the northern Atlantic Coast town of Puerto Cabezas is passable only during the dry season (December-April).

CHAPTER III.

POLITICAL ENVIRONMENT

- **NATURE OF BILATERAL RELATIONSHIP WITH THE UNITED STATES**

Bilateral relations between the United States and Nicaragua are strong. Since 1990, the U.S. has provided more than 1 billion dollars in assistance and debt-relief to Nicaragua. That money has funded such projects as balance of payments support for economic stabilization, primary education, health care reform, employment generation, food donations, and the strengthening of democratic institutions. The U.S.-Nicaraguan bilateral relationship became even closer in the aftermath of Hurricane Mitch, when the U.S. provided substantial and timely emergency assistance and additional debt relief. U.S.-Nicaraguan commercial relations are strong. The U.S. remains Nicaragua's largest trading partner.

- **MAJOR POLITICAL ISSUES AFFECTING BUSINESS CLIMATE**

President Arnaldo Aleman, inaugurated on January 10, 1997, is publicly committed to improving the business climate and tackling some of the thorny political questions which have dampened investor enthusiasm -- the confiscated property problem, security in the countryside, and the weakness of rule-of-law. Civil-military relations have improved substantially in the last few years and cooperation between the Army, Police, and local authorities has helped to reduce insecurity in many rural parts of the country. Many past human rights abuses however, remain unresolved.

- **BRIEF SYNOPSIS OF POLITICAL SYSTEM, SCHEDULE FOR ELECTIONS, AND ORIENTATION OF MAJOR POLITICAL PARTIES**

Nicaragua's government is divided into four branches: a democratically-elected president, a National Assembly; a judiciary; and the Supreme Electoral Council. Liberal Alliance candidate Arnaldo Aleman won the 1996 Presidential election with 52 percent of the vote in a field of 23 candidates. The Liberal Alliance controls key leadership positions in the National Assembly and, with the support of several small parties and non-aligned members, can usually achieve a majority on important legislative votes. The opposition Sandinista (FSLN) party holds 36 of the Assembly's 93 seats. Party politics are complex and fragmented in this young democracy.

CHAPTER IV. MARKETING U.S. PRODUCTS AND SERVICES

- **DISTRIBUTION AND SALES CHANNELS**

Distribution and sales of imported products are handled by local distributors and agents. The Nicaraguan retail market is small, though expanding.

- **USE OF AGENTS/DISTRIBUTORS; FINDING A PARTNER**

Until July 1998, the rights and obligations of agents and distributors were subject to the conditions set forth in the Law of Agents, Representatives, and Distributors of Foreign Products (Decree 13 of 1980). This law afforded considerable protection for the interests of local agents and distributors; termination of a relationship could prove costly. However, the May 1997 tax reform law abrogated

the provisions of Decree 13 as of July 1, 1998. While contracts in effect before that date remain valid, new contracts are based on mutual consent of the parties.

Partnerships among U.S. and Nicaraguan business interests are common. There is no clearinghouse of information for finding a partner in Nicaragua. It is recommended that U.S. companies seeking agents, distributors, or partners in Nicaragua either purchase the Agent Distributor Service (ADS) from their nearest U.S. Department of Commerce District Office or contact the Commercial Section of U.S. Embassy Managua, the Nicaraguan Center for Export and Investment (CEI), or local business chambers. (See Appendix E for contact information.)

• **FRANCHISING**

Nicaragua has no specific law regulating franchises. Prospective franchisees must follow the general regulations concerning foreign investment and starting a business contained in the Commercial Code and Foreign Investment Law. The franchise market for Nicaragua is booming, particularly for fast food. According to the Nicaragua Tourism Institute, projected investment in fast food restaurants in Nicaragua will total an estimated \$21 million from 1997-2003. There are currently 22 foreign franchises. McDonald's, TGI Friday's, Pizza Hut, Domino's Pizza, Subway, American Donut, Napa Auto Parts, Hertz, Avis, and Budget Rent-A-Car, among other franchises, operate in Nicaragua at present. Jerry's Subs and Pizza is schedule to open it first restaurant this year, and Ruby Tuesday is scheduled to open in early 2000. Many Nicaraguans have lived several years outside of the country and have grown accustomed to fast food outlets and other services appropriate for franchising.

• **DIRECT MARKETING**

There is little direct marketing in Nicaragua at the present. No specific law or regulation governs the field. Obstacles to profitable direct marketing include an unreliable postal service, inconsistent treatment of goods at Customs, and lack of an efficient delivery system.

• **JOINT VENTURES/LICENSING**

All types of business organizations are governed by the Commercial Code. The code permits joint ventures, license arrangements, general and limited partnerships, and corporations. Foreign investors are generally accorded national treatment under the Commercial Code. Nonetheless, investors may wish to register under the Foreign Investment Law (see below).

• **STEPS TO ESTABLISHING AN OFFICE**

There are various ways to constitute an operation in Nicaragua; the two most common are as a sole proprietorship or as a corporation. The three basic steps for organizing a business are as follows:

1. Register and incorporate the business at the Ministry of Finance (Ministerio de Hacienda y Credito Publico, in Spanish). After paying the registration fees, a tax identification number must be acquired. (Note: If incorporating, a notarized letter from the corporation's board of directors authorizing incorporation in Nicaragua is required.)
2. Register with the office of the Mayor of the Department where the business is located. At this office, the new business may elect to pay a fixed tax quota on sales or contract an accountant to

maintain detailed records. If the accountant option is chosen, the books must be registered with the Ministry of Finance Office of Fiscal Records.

In addition to these steps, other permits/licenses may be required depending upon the business in question. We recommend the retention of an experienced commercial attorney for any investor interested in establishing an operation in Nicaragua.

Benefits of the Foreign Investment Law:

Foreign investors may, but are not required to, register investments and negotiate a Foreign Investment Agreement with the Ministry of Development, Industry and Trade. This guarantees the investor the following privileges under the Foreign Investment Law:

- Repatriation of net foreign capital, less any losses incurred, three years after the capital to be repatriated entered the country.
- Remittance abroad of the net profits generated by the capital registered.
- Prompt, adequate, and effective compensation in case of expropriation for reasons of public utility or social interest.

In addition to the benefits listed above, other tax benefits may be individually negotiated depending on the type of business incorporated.

• SELLING FACTORS/TECHNIQUES

Sales and marketing techniques in Nicaragua have been increasing in sophistication. Most advertising takes place on the radio, in newspapers, on television, or, to a lesser extent, through billboards. Trade fairs and industry-specific shows have become more frequent in the past year. For example, this year Nicaragua hosted its first international trade fair and its first auto show. Companies are adopting more modern marketing techniques like door-to-door advertising and special sales promotions. This increased marketing sophistication comes in response to Nicaragua's economic growth and liberalization, as well as the greater availability of financing and larger choice of goods.

• ADVERTISING AND TRADE PROMOTION

Most business advertising and trade promotion in Nicaragua is conducted through the print media. Below are the most commonly utilized publications:

Daily Newspapers:

LA TRIBUNA

Detrás del Banco Mercantil, Plaza España, Managua (circulation: 8,000 - 12,000)

Tel: (505) 248-3313, 248-3308/09, Fax: (505) 248-3311, 266-9089

WEB: <http://www.latribuna.com.ni>

E-Mail : tribuna@latribuna.com.ni

LA PRENSA

Km. 4 Carretera Norte, Managua (circulation: 20,000 - 26,000)

Tel: (505) 249-6924, Fax: (505) 249-6928

WEB: <http://www.laprensa.com.ni>

E-Mail: info@laprensa.com.ni

EL NUEVO DIARIO

Km. 4 Carretera Norte Managua (circulation: 25,000 - 30,000)

Tel: (505) 249-0499, Fax: (505) 249-00700

WEB: <http://www.elnuevodiario.com.ni>

E-Mail: ndiario@ibw.com.ni

LA NOTICIA

Del Porton del Hospital El Retiro, 1c. lago, 30vrs arriba, Managua (circulation 3,500 - 5,000)

Tel: 268-0606, Fax: 266-2025

E-Mail: info@lanoticia.com.ni

Business Journals:**EL OBSERVADOR ECONOMICO**

Del Hospital El Retiro 2 c. al lago Managua

Tel: (505) 266-8869, 266-8708/9, Fax: (505) 266-8711

E-mail: Fideg@tmx.com.ni

VISTAZO ECONOMICO

De la Vicky 6-1/2 c. al lago No. 390, Managua

Apdo Postal 282

Tel: (505) 277-2067, Telefax: (505) 278-0810

MUNDO FINANCIERO

Plaza El Carmen Del Canal 2, 1 c. al oeste Managua

Tel: (505) 266-9976, Fax: (505) 268-2134

E-mail: mf@ibw.com.ni

Other Journals:**CONFIDENCIAL**

Rotonda Plaza España, 3c. al lago, Managua

Tel: (505) 266-3431, Fax: (505) 266-0129

WEB: <http://www.confidencial.com.ni>

E-Mail: revista@confidencial.com.ni

BOLSA DE NOTICIAS

Colonia Centroamérica L-852, Managua

Tel: (505) 278-6326; Telefax: (505) 277-4931

WEB: <http://www.grupoese.com.ni>

E-Mail: grupoese@tmx.com.ni

EL SEMANARIO

Km. 3 1/2 Carretera Sur, Managua

Tel: (505) 268-1972, Telefax: (505) 268-1973

Trade Shows:

There are few regularly scheduled trade shows in Nicaragua. Trade events are usually held at the Olof Palme Convention Center in Managua. This modern facility has numerous meeting rooms, the largest seating 2000. (See Appendix G, Trade Events, for more detail.) For information contact:

Olof Palme Convention Center

General Manager Carolina Lola Garcia

Tel: (505) 228-1037; Fax: (505) 222-5423

The Camino Real Hotel also has a large conference facility and has hosted large trade shows. The Intercontinental Hotel and the Hotel Princess have small to medium-sized conference rooms. See Chapter IX, Business Travel for contact information.

- **PRICING PRODUCTS**

There are no price controls with the exception of controls on pharmaceutical sales margins, sugar, domestically produced soft drinks, national cigarettes and some petroleum derivatives (regular diesel, kerosene and liquified natural gas).

- **SALES SERVICE/CUSTOMER SUPPORT**

Most local businesses place little emphasis on sales service and customer support. U.S. and foreign businesses which have made customer service a priority have been well received.

- **SELLING TO THE GOVERNMENT**

Government procurement is governed by the Law of Administrative Contracting by the State, Decentralized/Autonomous Agencies, and Municipalities (August 28, 1981) and its implementing regulations (November 8, 1981). Under the law, the government can procure goods and services without a tender if they are worth less than 300,000 cordobas (approximately \$25,000) and can procure through closed bidding for items worth between 300,000 and 1.5 million cordobas (approximately \$25,000-\$125,000). Items worth over 1.5 million cordobas must be procured through a public tender, in theory managed by the Ministry of Finance's General Directorate of Procurement. In practice, many government agencies and parastatals engage in direct purchasing outside of the legal framework. In addition, whenever a project is financed, even partially, with external funds (e.g., from international financial institutions), bids are conducted according to the procedures of the financing organization. Approximately 45 percent of donor projects are financed through bilateral assistance, which is often tied to procurement from companies in donor countries.

- **PROTECTING YOUR PRODUCT FROM IPR INFRINGEMENT**

Patents: Patent applications must be filed with the Ministry of Development, Industry and Trade (MIFIC), at the Intellectual and Industrial Property Registry. Fees are \$20 for applying, \$100 for an

examination, and then a yearly \$110 fee. On average, there is a 2-3 month delay for issuance. Protection is granted for 10 years.

Copyrights: Copyright applications must also be filed with the Intellectual and Property Registrar at MIFIC. There is no fee and, on average, there is a one-month delay for issuance. The protection granted is for the lifetime of the author and (once the new copyright legislation enters into effect) up to 70 years of the lifetime of his/her heirs.

Trademarks: Trademark applications must be filed with the Intellectual and Property Registrar at MIFIC. There is a \$50 charge to publish the trademark in the government gazette, and, on average, there is a 3-5 month delay for issuance. The applicant must present with the application a sample of the mark for which protection is being requested.

Intellectual property rights protection in Nicaragua does not meet international standards. On January 7, 1998 Nicaragua signed a comprehensive bilateral Intellectual Property Rights Agreement with the United States, which covers patents, copyrights, trademarks, and other forms of intellectual property. On July 5, 1999, the National Assembly passed legislation to protect copyrights, the first of six laws called for under the bilateral agreement. See "Protection of Property Rights" under Chapter VII, Investment Climate, for more information.

- **NEED FOR LOCAL ATTORNEY**

Local attorneys are recommended for all business activities. There are numerous law firms in Managua with experience in international business and with English-speaking attorneys on staff. See Appendix E for a list of some prominent law firms in Managua.

CHAPTER V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

- **BEST PROSPECTS FOR NON-AGRICULTURAL GOODS AND SERVICES**

Machinery: Machinery was the top U.S. export category to Nicaragua in 1998, with exports up by 19 percent, from \$41.5 million to \$49.5 million. Nicaragua's total imports of capital goods increased by 16 percent in 1998, driven by growth in mining, manufacturing, and construction. Construction grew by 8.6 percent in 1998, contributing \$102.8 million to Nicaragua's 1998 GDP. As the economy expands, the demand for electronic consumer goods, manufacturing, and construction machinery in particular is likely to grow fast. Major competition for U.S. products comes from firms in Western Europe and Central America. The food and beverage industry also needs processing and packaging equipment, especially as it becomes more export-oriented and adjusts to international standards. The market is excellent for agricultural and used machinery. There is no local production of most kinds of machinery.

Vehicles and Automobile Parts and Equipment (APS): Nicaragua imported \$20.3 million worth of vehicles from the U.S. in 1998, a increase of 7 percent from 1997. High taxes on imported new cars have limited the demand for new vehicles. Import taxes on used cars are now applied based on

NADA "Blue Book" values (previously, they were based on arbitrary assessments that often resulted in high duties). This change, combined with the increased availability of financing and the country's economic growth should spur stronger growth in the demand for cars. Also, a tariff based on engine size that had a discriminatory effect on U.S. cars was ameliorated though not eliminated in early 1999. There is also considerable demand for servicing and parts for vehicles, and spares are increasingly available on the local market. At present, two NAPA auto parts stores and two GM distributors in Managua sell Chevrolet vehicles including Cavalier, Chevy S-10, and Blazer. There is a Ford distributorship offering the Escort, Ranger, Explorer, Ford F-150, and taking individual orders for other Ford makes. There is a particular need for heavy and light U.S. trucks, buses and sport utility vehicles, as well as tires for all motor vehicles.

Tourism: According to the Institute of Tourism, tourism was Nicaragua's third most important source of foreign exchange in 1998, representing an \$90 million market -- an increase of 12.5 percent over 1997. Tourist arrivals are expected to grow by 10 percent in 1999, to about 416,500 (15 percent of these from the U.S.). The Nicaraguan Government expects 521,000 visitors by the year 2002 (20 percent from the U.S.). Three major hotels are currently under construction in Managua (Hampton Inn, Holiday Inn Select and Plaza Real Clarion). Nicaragua's new tax law provides tax breaks for investments in the hospitality and lodging industry, food, beverage and entertainment service, tourism infrastructure, and in the arts and crafts facilities. Best prospects for investment exist in accommodations outside of Managua (for example, on the Pacific coast and in eco-tourism areas).

Apparel: Nicaragua's 1998 maquila (assembly) exports to the U.S. grew by 27 percent, to \$231.9 million. Woven apparel was the largest Nicaraguan export item to the U.S. for the past two years, with exports up 33 percent in 1998. Knit apparel exports to the U.S. grew by 9 percent to \$45.2 million. Almost all maquila plants are in the government's Free Trade Zone, which expects to employ 10 percent more workers in 1999 than in 1998. Nicaragua's advantages in this sector are plentiful low cost labor and the absence of U.S. quota limitations, while a major disadvantage is the high cost of transportation.

Franchises: Nicaragua offers significant franchise opportunities. There are currently 22 franchise companies operating in Nicaragua (including McDonald's, TGI Friday's, Domino's Pizza, Subway, and Pizza Hut). The Nicaraguan Tourism Institute registry shows over \$21.6 million in planned new investment in fast food for 1998-2001. This includes a total of 65 restaurants scheduled to open by 2003. Because of the limited availability of investment capital and financing in Nicaragua, prospects are best for franchises which cost less than \$300,000.

• BEST PROSPECTS FOR AGRICULTURAL SECTOR

In 1998 agricultural production (not including livestock, fisheries or forestry) accounted for 18.7 percent of Nicaragua's GDP and livestock 8.0 percent. The sector's growth rate made it one of the nation's most dynamic sectors. Reasons for growth include renovation of coffee plantations and expansion of planting areas for sugar, oilseeds, white corn, dry beans and non-traditional agricultural products. The Government of Nicaragua, as well as the international donor community, is placing great emphasis on agricultural reactivation.

The USDA approved three private banks (BAC, BANCENTRO, and BAMER) to use the GSM-102 credit guarantee program for purchases of U.S. agricultural commodities, including feed grains.

Wheat: In 1998, U.S. exports of wheat to Nicaragua totaled \$16.5 million (about 21,000 metric tons of wheat). Nicaraguan wheat imports in 1998 are projected to be 83,000 MT, of which 20,000 MT are expected to come from commercial sales and 60,000 MT under Section 416 (b) USDA Food for Progress Program. Three private mills import wheat into Nicaragua from the United States. Nicaragua imports primarily spring wheat, but also imports small quantities of soft wheat (and on occasion, hard red) .

Rice: U.S. milled rice exports to Nicaragua in CY 1998 totaled \$16.5 million, an 18 percent increase over the previous year. Five private rice importers make most large imports and ENABAS (the Nicaraguan government's purchasing office for basic agricultural commodities) makes emergency purchases as needed. U.S. exports of milled rice (10 and 20 percent broken) are usually in 50 kg bags (which are repackaged locally into smaller bags of 2.2 kg), but small quantities of retail-size rice are also exported directly. In March 1998, the GON approved the importation of Vietnamese milled rice into Nicaragua for the first time since 1994. Even though the Vietnamese rice is cheaper, the Nicaraguan consumers appear to prefer the U.S. rice. Nicaragua imports about 76,000 to 80,000 metric tons of rice a year.

High-Value, Consumer-Oriented Agricultural Products: In 1998, U.S. exports of consumer food products reached \$11.4 million, a 15 percent increase over the previous year. This included snacks, breakfast cereals, spices, red meats (fresh/chilled/frozen), juices, dairy products, processed fruits and vegetables, wine and beer, etc. Nicaraguan imports of consumer food products are likely to experience 12-14 percent growth in 1999.

Vegetable Oils: In 1998, U.S. exports of vegetable oil to Nicaragua totaled \$6.0 million, compared to \$9.4 million 1997. Some \$5.8 million of that was soybean oil and \$0.3 million was other oils. Nicaragua also imports soybean oil from Argentina, palm oil from Malaysia, and palm oil (stearin) from Honduras. Imports of vegetable oil in 1999 are projected to be around 36,000 MT.

Tallow: In 1998, U.S. exports of animal fats to Nicaragua totaled \$4.5 million, compared to \$4.8 million in the previous year. From 1993 through 1995, the U.S. supplied almost all of Nicaragua's tallow imports, largely through PL-480, Title III Program donations. Nicaragua produces only about 2,800 MT of tallow a year and normally consumes about 17,000 to 19,000 MT.

Agro-Chemicals: In 1998, Nicaragua imported about \$48 million worth of agro-chemicals. Approximately 18 percent came from the United States. The most significant imports are urea 46% nitrogen (fertilizer), fungicides, herbicides, and compound formula fertilizers. Third-country competition comes mainly from Europe and Central American countries.

Poultry and Livestock Genetics: In 1998, U.S. exports of hatching eggs to Nicaragua reached \$2.4 million, compared to \$1.5 million the previous year. The growing Nicaraguan poultry meat industry, high-quality U.S. genetics, and adequate incubator space have led to increased poultry genetics imports, mostly from the United States. In 1998, the country also imported from the United States \$286,000 in live animals. Future livestock imports will depend on price and credit terms, especially for live cattle. While Nicaragua has been approved by the USDA to use the GSM-103 Credit Guarantee Program to buy U.S. cattle and livestock genetics, no local importer of this sector has used this program yet.

Soybean meal: In 1998, Nicaragua imported \$2.2 million of soybean meal from the United States compared to \$1.8 million imports, also from the U.S., in the previous year.

Yellow Corn: In 1999, the United States donated 15,000 metric tons of yellow corn under the Section 416 (b) program to alleviate shortage of a sorghum caused by Hurricane Mitch in late October 1998.

CHAPTER VI.

TRADE REGULATIONS AND STANDARDS

- **TRADE BARRIERS, INCLUDING TARIFFS, NON-TARIFF BARRIERS, AND IMPORT TAXES**

Nicaragua is in the process of progressive import tax reductions through the year 2002. As of July 1999, Nicaragua imposes regular import duties (DAI) of 15 percent on final consumption goods and 10 percent on intermediate goods (there is no DAI on raw materials and capital goods produced outside of Central America, but raw materials and capital goods imported from any Central American country carries a 5 percent DAI). Some 900 items are levied with a temporary protection tariff (ATP) of 5 to 10 percent. The maximum rate of the combined DAI and ATP is 25 percent. A luxury tax is levied through the specific consumption tax (IEC) on 609 items that generally is lower than 15 percent. DAI, ATP and IEC are based on CIF value. Nicaragua levies a 15 percent value added tax (IGV) on most items, except agricultural inputs. Import duties on so-called “fiscal” goods (e.g., tobacco, soft drinks, and alcoholic beverages) are particularly high. Importers of many items face a total import tax burden of 15 to 45 percent.

Nicaragua’s 1997 tax reform law marked an important step by the Aleman administration towards fostering Nicaragua’s insertion into the global economy. The reform: a) banned almost all non-trade barriers on imports, b) eliminated the discretionality of government officials to exonerate tariffs, c) repealed the restrictive Law on Agents, Representatives or Distributors of Foreign Firms (effective July 1, 1998), d) established a “rebate” of 1.5 percent of FOB value for all exports, e) eliminated payments for permits and licenses related to export activities, f) eliminated IGV on several activities, g) reduced municipal taxes from 2 to 1.5 percent in 1998 and to 1 percent in 2000, h) eliminated income tax on interest and capital gains stemming from transactions on the local stock exchange, and i) set a schedule of progressive import tax reductions through the year 2002.

In March 1999, the National Assembly passed an ambitious tax package that put Nicaragua ahead of the rest of Central American countries in lowering tariffs and reducing exemptions. The new amendment to the Ley de Justicia Tributaria (Tax Justice Act) establishes: a) tax exemptions for NGOs (non-governmental organizations) as long as they perform non-profit activities; b) exemptions on import taxes (DAI), luxury taxes (IEC), and sales taxes for hospital investments; c) reduction of the tax levied on vehicles based on engine size (this amendment will alleviate the discriminatory tariff treatment that arises from the fact that American cars have bigger engines than their similar Japanese competition); d) exemption of DAI, ATP and IGV on crude or partially refined petroleum, as well as on liquid gas and other petroleum derivatives; e) increases taxes on liquors and tobacco; and f) eliminates import taxes on capital goods, intermediate goods, and raw materials destined for the agricultural sector, small handicraft industry, fishing and aquaculture.

- **CUSTOMS VALUATION**

Foreign investors sometimes complain about arbitrary customs procedures and valuations. Tariffs and import taxes for most used goods are not assessed on a CIF/bill of lading basis, but rather on a "reference price" determined by Customs at the time of entry inspection. This reference price can be significantly higher than the actual amount paid by importers. Presentation of a bill of sale (or other evidence of purchase price) that is certified by a Nicaraguan consular official is often, but not always, accepted by Customs inspectors as proof of the value of used goods. For instance, the Tax Justice Act establishes that used vehicle values will be assessed by using the most recent version of the "Blue Book", regardless of the mechanical condition of the vehicle.

- **IMPORT LICENSES**

Permits are required only for the importation of sugar. Special permission must be sought from the Ministry of Government for the importation of firearms and explosives. U.S. exporters of food products should check with the Ministry of Agriculture concerning phytosanitary requirements.

- **EXPORT CONTROLS**

Few export controls remain in place. GON regulations currently prohibit the export of uncut timber of cedar and mahogany of wood trees (although the government has indicated it is considering lifting the ban), reproductive-phase and under-sized lobsters, larval shrimp, and wildlife/wildlife products. The export of capital goods as scrap no longer requires the permission of the MIFIC. Gold exports may require special permission of the Central Bank.

- **IMPORT/EXPORT DOCUMENTATION**

Imports require the following documentation: bill of lading (for land and maritime shipments), packing list, airway bill (for air shipments), and invoice.

Exports (outside Central America) require the following paperwork: export certificate and other documents depending on the products and destination.

All export documentation can be processed at the government's one-stop export center, CETREX: Centro de Trámites de las Exportaciones, Plaza El Sol, 1 1/2 al Sur No. 169, phones (505) 278-2065, 270-1587 and, Fax 277-3320.

- **TEMPORARY ENTRY**

Exporters may import inputs using a drawback system. Items like machinery, raw materials, components, packaging materials, etc. may enter duty free. Firms located in approved free zone locations can conveniently import unfinished products for processing, and re-export on a duty-free, in-bond basis. This same treatment is accorded to subcontractors of plants in free trade zones. Registered foreign investors are allowed to re-export equipment and machinery as well as to repatriate capital.

Special procedures apply for the short-term entry of goods (e.g., laptop computers, business samples, professional equipment, and exhibit materials). Upon entry, a deposit must be made with Nicaraguan Customs (Dirección General de Aduanas) equal to the tariffs and duties that would be paid for a permanent import of the same item. The Customs office determines that amount on the spot, which can be in excess of 20 percent of the value of the item. This deposit is returned when the item leaves the country (must be within six months of entry). It is possible to complete the paperwork and pay the deposit ahead of time, although this must be done in person at the Customs office (phone 505-249-5719).

- **LABELING/MARKING REQUIREMENTS**

The Consumer Protection Law enacted in 1995, as well as its regulations promulgated in 1999, introduced product labeling standards and consumer rights to Nicaragua. While most U.S. products will likely meet Nicaraguan regulations by following U.S. guidelines, the following should be noted: the label must list product origin, contents, price, weight, production date, and expiration date. Proper use and risk information also should be provided. All information must be in Spanish, or if the product is destined for the Atlantic coast area, English or the local indigenous language (note: to date, this requirement is not fulfilled in practice.)

- **PROHIBITED IMPORTS**

Few restrictions exist. The Ministry of Natural Resources and the Ministry of Agriculture do regulate the use of agricultural chemicals. Military weapons may only be imported by the Armed Forces; import shipments of civilian weapons must be accompanied by a license issued by the Ministry of Government. The import duties on a few items are so high (e.g., chicken parts with a 190 percent tariff) that sales here may not be feasible.

- **STANDARDS**

No standards are in place for manufactured and processed products. However, standards issued by the Central American Institute of Industrial Research and Technology are often used as a guide.

- **FREE TRADE ZONES/WAREHOUSES**

The state-owned Las Mercedes Industrial Free Zone is located near Managua's international airport (ownership of this facility is expected to be transferred to the Central American Bank for Economic Integration). Twenty-Four firms (Nicaraguan, U.S., Asian, and European) are currently operating there (primarily manufacturing clothing). Use of the Zone has expanded dramatically over the past four years. Exports generated by the free zones rose to \$182 million in 1998. In the Las Mercedes zone, employment rose from 7,000 in 1995 to 18,743 (direct and indirect employment) in 1998.

- **SPECIAL IMPORT PROVISIONS**

Importers of pharmaceutical products must provide considerable documentation to the Ministry of Health. Importers of fresh produce, livestock, and food products should check with the Ministry of Agriculture for the latest phytosanitary regulations.

- **MEMBERSHIP IN FREE TRADE ARRANGEMENTS**

Nicaragua is a member of the Central American Common Market (CACM). As such, the majority of goods produced in these nations are imported duty free. The CACM nations signed a free trade agreement with the Dominican Republic in 1998 and are negotiating an agreement with the southern cone nations of South America (Mercosur). Nicaragua has free trade agreements with Mexico and the Dominican Republic. Nicaragua is a Caribbean Basin Initiative beneficiary; the country is not a beneficiary of the Generalized System of Preferences (GSP).

CHAPTER VII. INVESTMENT CLIMATE

- **OPENNESS TO FOREIGN INVESTMENT**

Since 1991, Nicaragua has made significant progress in opening to foreign investment. This opening has paid off in one of the fastest real GDP growth rates in Central America, and visible signs of investment and economic progress.

The Foreign Investment Law guarantees foreign investors the right to remit 100 percent of profits through the official exchange market and, 3 years after the initial investment, repatriation of original capital. The law also allows 100 percent foreign ownership in all sectors of the economy. To enjoy those guarantees, investments must be approved by the Foreign Investment Committee of the Ministry of Development, Industry and Trade (MIFIC). However, most foreign investors do not seek Ministry approval because the banks freely repatriate profits. While in the past, Ministry approvals took over a year, recently approvals have been completed in as little as three months. The Embassy knows of no instances in which profit repatriation has been a problem. Foreign investors receive national treatment with respect to export/import policies. There are no onerous visa, residence, or work permit requirements which inhibit foreign investment.

Water and sewage systems, power transmission, ports, and airports remain the exclusive preserves of the state. However, Nicaragua is beginning to open up to private investment in other traditionally state-run sectors. While the national telecommunications grid is run exclusively by the state telephone company ENITEL, there is private investment in cellular telephones, beepers, and public phone booths. An effort to privatize ENITEL failed in early 1999. Nicaragua's first private power plant began operations in 1997 and a second private plant came on line in early 1999. The government plans to begin privatization of generation and distribution facilities starting in 2000 (although slippage of this date is possible).

Two major U.S. energy companies interested in geothermal power generation projects withdrew from Nicaragua in 1999 after long, unsuccessful negotiations with the government. After signing a contract in 1998 to build a thermal energy power plant, another U.S. energy company received several cease-and-desist orders from the government during the construction phase of the project. Negotiations continue to resolve differences.

The government still owns an insurance company, a petroleum products retailer, a cement producer, and other operating businesses. There is no activity currently underway to privatize these remaining state assets.

The National Assembly passed a law in 1997 allowing private road concessions. The government eliminated its import monopoly in the petroleum sector. In 1995, it freed up prices on high-octane gasoline, lubricants and jet fuel, although price controls remain on diesel, regular octane gasoline, kerosene, and liquefied natural gas. In a throwback to intervention in private pricing, the government compelled petroleum companies to cut their price of diesel in order to placate striking bus drivers, who had resorted to violence to press their demands. U.S.-invested companies reluctantly complied, but served notice that future increases in world oil prices would have to be reflected at the pump.

• **CONVERSION AND TRANSFER POLICIES**

Dollars are freely available through a legal parallel exchange market operated by local financial institutions. The Central Bank monitors this activity through a reporting requirement, but in all other respects private exchanges operate free from government controls. Embassy is aware of no instances where an investor has been unable to obtain dollars or repatriate earnings or capital. Exchange transactions at financial institutions are usually completed instantly. The Central Bank also buys and sells dollars, but charges a one percent commission. Since 1993, the Cordoba has been on a monthly crawling-peg devaluation schedule at the rate of one percent per month. The government has stated that it will gradually reduce that rate of adjustment over the next few years if it is successful in holding inflation to single-digits. In July 1999, the President of the Central Bank announced that the annual Cordoba depreciation rate would decrease from 12 percent to 9 percent. A brief period of looser monetary policy and spot shortages caused by Hurricane Mitch triggered inflation of 18.5 percent on an annual basis at the end of 1998; however, an IMF-praised tightening of monetary policy and an infusion of donated food drove prices down in the first half of 1999 to a single-digit 12-month rate.

The U.S. Embassy has local currency expenditures of approximately USD 2 million per annum. Local currency is purchased through the U.S. Government Regional Finance Center in Charleston, South Carolina.

• **EXPROPRIATION AND COMPENSATION**

More than 5,000 individuals and corporations (including some 800 U.S. citizens) filed property claims for confiscations which took place during the Sandinista era. A property compensation mechanism is in place, but it is slow and cumbersome. Compensation is generally provided in the form of 15-year Government of Nicaragua bonds. There is a secondary market for sale of the bonds. In mid-1999, they traded at around 21 percent of face value. About 1,000 U.S. citizen claims are outstanding; over 2,400 have been resolved.

• **DISPUTE SETTLEMENT**

Difficulty in resolving commercial disputes in Nicaragua, particularly the enforcement of contracts, is a serious obstacle to investment. There is a Commercial Code and Bankruptcy Law, but both need revision. On the whole, the legal system is cumbersome, and enforcement of judicial determinations is uncertain and sometimes subject to non-judicial considerations. Dispute resolution can be

especially complex on the Atlantic coast, where the division of authority between the central and regional autonomous governments is often murky. Nicaragua is a party to the Inter-American Convention on Arbitration and a member of the International Center for the Settlement of Investment Disputes (ICSID). Arbitration clauses are recommended as a means to avoid the uncertainty of the judicial system.

• **PERFORMANCE REQUIREMENTS/INCENTIVES**

Investors are generally not required to export specific amounts, incorporate minimum percentages of local content, agree to transfer specific technologies, or meet other performance criteria. Nevertheless, each foreign investor who chooses to register under the Foreign Investment Law must negotiate an individual "investment contract" with the Foreign Investment Committee. These individual contracts might contain performance criteria when they receive special benefits allowed under relevant sectoral laws. Only a limited number of foreign investors have signed investment agreements with the Government. However, there is significant investment that goes unregistered. The 1997 tax law replaced a 5 percent duty drawback for non-traditional exports with a 1.5 percent duty drawback for all exported goods. In addition, a drawback system exists enabling exporters to recover import duties paid on raw materials and components that are incorporated in exported goods.

In June 1999, President Aleman signed the Tourism Industry Incentive Law. To qualify for the benefits offered under the law, the investor must invest a minimum of USD 30,000 to USD 500,000, depending on the activity. Benefits, which are usually for ten years, include property and income tax exemptions, and full or partial import tax or value-added tax exemptions on a list of tourism development materials. For more information, see the government Tourism Institute's website at www.intur.gov.ni.

• **RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT**

Both foreign and domestic private entities may establish and own business enterprises and profit-making activities. Local law grants the right to freely establish, acquire, and dispose of virtually any type of business interest or property, with the exception of those sectors where government monopoly is established by law. The Embassy is aware of no instances where private enterprises were not treated on an equal footing with public enterprises with respect to access to markets, credit, and other business operations.

• **PROTECTION OF PROPERTY RIGHTS**

Protection of rights for both tangible and intangible (intellectual) property is inadequate in Nicaragua. However, the government signed a bilateral agreement on intellectual property protection with the U.S. in early 1998 and the National Assembly passed updated copyright legislation in July 1999. Several other laws are under consideration which would greatly improve the legal framework for intellectual property protection.

Tangible Property:

Lack of clear title to property, both urban and rural, continues to be a major impediment to investment. The properties in question were confiscated during the Sandinista years and redistributed to individuals and cooperatives. Progress has been slow to either return confiscated properties to their original owners or provide compensation, almost always in the form of government bonds. The Aleman Government has made improvement in this area a priority and the National Assembly passed a new property law in 1997 which required new services of mediation and arbitration in new property courts. Funding has been allocated in the general budget and the Inter-American Development Bank has offered to assist with additional resources. However, the new courts have yet to be established, effectively denying due process to those, including U.S. citizens, who were expropriated in the 1980s, and are unsatisfied with administrative disposition of their cases or the offer of bonds as compensation. Many claimants would like compensation in comparable pieces of property or equity shares of to-be-privatized companies.

Intellectual Property:

Bilateral Agreements: On January 7, 1998 Nicaragua signed a bilateral intellectual property rights agreement with the United States--the first such agreement in Central America and only the fourth in the hemisphere. The agreement covers copyrights, patents, trademarks, semiconductor layout designs, encrypted program-carrying satellite signals, trade secrets, and industrial designs. The agreement addresses criminal and civil penalties for infractions and provides a level of protection which exceeds Nicaragua's commitments in the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The agreement calls for full implementation by mid-1999. In 1998, Nicaragua also signed a Free Trade Agreement with Mexico, which includes some protection for intellectual property rights.

Patents: Nicaragua's Patent Law dates from 1899 and fails to meet international standards for term of protection and for subject matter subject to patentability. Protection is limited by short patent terms (10 years). In February 1996, the National Assembly ratified the Paris Convention for the Protection of Industrial Property. In April 1997, Nicaragua approved the technical part of the Central American Convention on Industrial Property (Inventions and Industrial Designs), although this has not yet come into effect. The government recently updated a draft patent law, but has not sent it to the Assembly. The Government recently submitted to the National Assembly a draft law for the protection of plant varieties, which it needs to subscribe to the Convention of the International Union for the Protection of New Varieties of Plants (UPOV, 1978).

Copyrights: Copyright protection dates from the 1904 Civil Code and is deficient in many respects, most particularly in protection of new forms, including video and sound recordings, software and databases. There is piracy of video and sound recordings, U.S. satellite signals and broadcast theft. In July 1999, the National Assembly passed copyright legislation that will greatly strengthen copyright protection once the law takes effect upon publication in the official government gazette. Penalties will be phased in over a 12-month period. A complementary law on television programming carriers is in committee and should be considered by the Assembly soon. Nicaragua is a signatory to the following copyright conventions:

- Mexico Convention on Literary and Artistic Copyrights (1902)
- Buenos Aires Convention on Literary and Artistic Copyrights (1910)
- Inter-American Copyright Convention (1946)
- Universal Copyright Convention (Geneva 1952 and Paris 1971)

Brussels Satellite Convention (1974)

Trademarks: Trademark infringement remains a potential problem area for Nicaragua. Current Nicaraguan procedures allow individuals to register a trademark without restriction, at a low fee, for a period of 15 years. Nicaragua has signed and ratified the Central American Convention for the Protection of Industrial Property and its Protocol of Modification (Trademarks and Distinctive Signs). However, Nicaragua has not ratified the Amendment to the Protocol, and neither the Convention nor the Protocol will take effect until other Central American countries sign it. A draft law on Distinctive Signs is being reviewed by the government and WIPO (World Intellectual Property Organization) before being sent to the Assembly. This law will address the lack of protection for well-known marks.

Trade Secrets: There is no trade secret protection. The draft Patent Law (see above) will address this problem.

Semi-conductor Chip Layout Design: There is no protection for these works. A draft law is being reviewed by the Presidency.

• **TRANSPARENCY OF THE REGULATORY SYSTEM**

Despite significant streamlining in recent years, Nicaragua's legal and regulatory framework remains cumbersome. The rules are not fully transparent, and much business is still conducted on a "who you know" basis. Lack of reliable dispute resolution mechanisms--whether judicial or administrative--complicates even relatively minor disputes with the authorities or local business contacts. Although the 1997 tax law eliminated many special tax exonerations, investors still express frustration at a high level of discretionality and over-centralized decision making in taxation and customs procedures. The Labor Code contains many provisions concerning hiring/firing of the workforce and benefits which increase business costs. Potential investors should review the law's requirements prior to initiating business activities.

• **EFFICIENT CAPITAL MARKETS AND PORTFOLIO INVESTMENT**

Nicaragua's capital base is small and the financial system has limited assets. Total assets for the Nicaraguan financial system as of December, 1998, reached USD 1.6 billion (68 percent of system deposits are in dollars). Long-term financing is scarce; more the one half of the outstanding loan portfolio for the financial system consists of loans of one year or less. Interest rates are established by the market. At present, rates range from 16-25 percent for short-term loans and 14-20 percent for long-term loans with "maintenance of value" provisions (i.e., the loan is indexed to the dollar-cordoba exchange rate used at the time of the loan approval). The Foreign Investment Law limits access by foreign investors to domestic financing to short-term working capital. Real estate mortgages are issued for terms up to 15 years and chattel mortgages are generally unavailable without a guarantee issued by a foreign bank.

Nicaragua's twelve commercial banks (one is state-owned and eleven private) are supervised by the Superintendency of Banks. The remaining state bank is due to be privatized by the end of the year. Nicaragua has no deposit insurance system. In June 1999, the Superintendency of Banks intervened to protect depositors of a private bank because of financial irregularities and allegations of fraud. Another bank assumed the loan and deposit portfolios, with the Government guaranteeing at least

some of the loans. The Superintendency also regulates insurance companies, leasing firms, and the stock exchange. Transactions on the stock market are dominated by government bonds. Several private firms have issued commercial paper, but not equity stock.

- **POLITICAL VIOLENCE**

Political violence in Nicaragua has decreased sharply in recent years. We are aware of no recent instances of political violence directly targeted at foreign business operations. The rural zones, particularly the mountainous north and central Nicaragua, continue to experience some violence (mostly criminal acts committed by bandit groups). Leaders of the opposition FSLN (Nicaraguan Sandinista Liberation Front) party continue to argue that political violence is one of the legitimate tools for achieving political goals. In April 1999, disputes over university funding and diesel prices for public transport led to protests that disrupted commerce, caused property damage, and resulted in several casualties.

- **CORRUPTION**

In spite of progress against it, corruption continues to be a factor in Nicaragua. The Aleman government has made efforts to strengthen the rule of law including the creation of the National Commission on Integrity and Transparency under the Vice President's direction. The government also supports efforts by the Supreme Court to strengthen the judicial system, in part by weeding out corrupt and incompetent judges. In addition, the independent Comptroller General's office is charged with investigating corruption and has been active over the past year in investigating alleged cases of corruption. Bribery is illegal in Nicaragua. Still, foreign investors have occasionally reported instances of government officials refusing to perform routine services unless bribes are paid. Additionally, the concept of "conflict of interest" is not widely understood, and political factors can affect business decision-making.

- **BILATERAL INVESTMENT AGREEMENTS**

Nicaragua has signed bilateral investment agreements with the U.S., Mexico, Spain, Taiwan, Denmark, the United Kingdom, and the Netherlands. The U.S. agreement has not yet been submitted to the U.S. Senate for ratification. The Government is currently discussing similar agreements with numerous other countries.

- **OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS**

The U.S. Overseas Private Investment Corporation offers financing for U.S. investments in Nicaragua. It also can provide political risk, expropriation, and inconvertibility insurance. Nicaragua participates in the U.S. Department of Agriculture's GSM-102/103 program providing credit guarantees for the importation of selected U.S.-origin agricultural products. Nicaragua is a member of the Multilateral Investment Guarantee Agency (MIGA).

- **LABOR**

Nicaragua's labor force, estimated at 1.63 million workers, is rural-based and largely unskilled. Forty-three percent of the employed population is working in the agricultural sector, 13 percent in manufacturing, and 44 percent in services. In 1998, the Government estimated an unemployment rate of 13.2 percent and a combined unemployment and underemployment rate of 25.3 percent. Nicaragua has the lowest population density in Central America. There is a shortage of skilled technicians and managerial personnel, although this is improving as members of the business and professional classes return from exile.

The high unemployment rate has eroded the strength of the trade union movement. Approximately one-third of the unionized labor force belongs to the National Labor Federation (FNT), a FSLN (opposition) -affiliated umbrella organization. Workers may freely exercise their right to strike. Under the Labor Code, workers may strike only after exhausting other methods of dispute resolution, including mediation by the Ministry of Labor. Despite the code's provisions for streamlining the mediation process, some unions ignore them when initiating a strike. The Labor Code requires employers to obtain approval from the Ministry of Labor before firing employees. Employers who sidestep this provision may be forced to reinstate the fired employees. Approval to lay off employees is usually granted by the Ministry, but may take some time.

- **FREE TRADE ZONES**

The state-owned Las Mercedes Industrial Free Zone is located near Managua's international airport. Thirty firms (Nicaraguan, U.S., Asian, and European) are currently operating under the free trade zone regime (primarily manufacturing clothing). Use of the Zone has expanded dramatically over the past two years. There are two private free zones and four others have been authorized. Investors report that the quality of the work is quite good for repetitive, simple tasks, but considerable additional training is necessary for employees to perform more complicated tasks. Employee absenteeism in the zones reportedly is higher than in Asian countries for similar work. Exports generated by the Free Zones were USD 182 million in 1998. In the Las Mercedes zone, employment rose from 13,000 in 1997 to 16,763 in 1998.

- **FOREIGN DIRECT INVESTMENT STATISTICS**

As best as can be estimated from incomplete data, the in-flow of foreign direct investment into Nicaragua has almost doubled over the past two years – from USD 97 million in 1996 to USD 184 million in 1998. An estimated one-third came from U.S. firms. Foreign sources accounted for about one-third of the USD 397 million in new private investment in 1997. Private investment flows are going primarily into agriculture, construction, services, industry, mining, energy, tourism, and aquaculture.

- **MAJOR FOREIGN INVESTORS**

ESSO STANDARD OIL, refiner and a major distributor of petroleum derivatives.

GREENSTONE, a Canadian-owned mining concern.

E. D. AND F. MAN, British agriculture supply and financing firm.

BELLSOUTH, investments in cellular phones and service.

AMFELS, Singaporean-owned energy generating plant.

TANIC, S.A., majority British-owned tobacco company.

TEXACO CARIBBEAN, sales of petroleum derivatives.

HOTEL INTERCONTINENTAL, owned by Taiwanese investors.

HOTEL MONTELIMAR, owned by the Spanish Barceló Group.

BAYER QUIMICAS with German, Salvadoran, and Guatemalan investment; production of agro-chemical products primarily for domestic consumption.

PEPSI-COLA, soft drink manufacturer.

KATIVO DE NICARAGUA, paint and paint-related products.

NABISCO, processed foods.

TRITON, a Canadian-owned mining company with gold mining interests.

GULF KING, a U.S. shrimp boat fleet.

SAN MARINO SEA FARMS, aquaculture firm with Nicaraguan and U.S. capital.

SAHLMAN SEAFOODS, U.S.-owned aquaculture operation.

SHELL NICARAGUA, petroleum distributor.

FREE TRADE ZONES, 21 apparel companies.

COCA-COLA, with capital from the U.S., Mexico, Venezuela, and Nicaragua.

HOLIDAY INN, British-owned franchise. Nicaraguan and U.S. capital (hotel still under construction).

METROCENTRO, shopping mall and hotel, with Salvadoran capital.

PLAZA INTERCONTINENTAL, shopping, cinemas, conference rooms, Taiwanese and Nicaraguan capital.

HOTEL PRINCESS, capital from Nicaragua, El Salvador and Guatemala (hotel).

COASTAL POWER (Tipitapa Power Co.), power generation, capital from Nicaragua and the U.S.

ENRON (Corinto Power Co.), power generation, capital from Nicaragua, Britain and the U.S.

CINEMARK movie theater, U.S. capital.

CHAPTER VIII. TRADE AND PROJECT FINANCING

• DESCRIPTION OF BANKING SYSTEM

Of the twelve commercial banks operating in Nicaragua, one is state-owned and eleven private. With the exception of the smallest state bank, all have correspondent relations with banks in the U.S. and Europe. All banks accept deposits in dollars as well as cordobas (in fact, 68 percent of system deposits are in dollars). The Superintendency of Banks (www.superintendencia.gob.ni) is the bank regulatory agency. Management of the Superintendency has been professional and in accordance with international standards. Nicaragua has no deposit guarantee system. Its banks operate under the 8 percent Basel standard for capital adequacy. Most banks are audited by local affiliates of internationally-recognized accounting firms.

• FOREIGN EXCHANGE CONTROLS AFFECTING TRADING

The private sector has unimpeded access to foreign exchange. The last restrictions were eliminated in 1996. A legal parallel exchange market operates free from government restrictions and is growing. In 1998, as in 1997, the market engaged in purchases and sales valued at approximately \$3.6 billion. Remittance of profits generated through foreign investments, as well as original capital after three years, is guaranteed for those investments registered under the Foreign Investment Law. Investors who do not register their capital may still make remittances through the parallel market, although these transactions are not guaranteed by law. Embassy is aware of no investor who has encountered remittance difficulties since inception of the Foreign Investment Law in 1991.

- **FINANCING AVAILABILITY**

Nicaragua's capital base is small and the financial system has limited assets. Total assets for the Nicaraguan financial system as of December 1998, were \$1.6 billion. Long-term financing is scarce; approximately 55 percent of the outstanding loan portfolio for the financial system consists of loans of one year or less. Interest rates are established by the market. At present, rates range from 16-25 percent for short-term loans and 14-20 percent for long-term loans with "maintenance of value" provisions (i.e., the loan is indexed to the dollar-cordoba exchange rate used at the time of the loan approval). The Foreign Investment Law limits access by foreign investors to domestic financing to short-term working capital. Real estate mortgages are issued for terms up to 15 years, and chattel mortgages are generally unavailable without a guarantee issued by a foreign bank.

- **HOW TO FINANCE EXPORTS/METHODS OF PAYMENT**

Exports are financed through existing resources of the banking system or through funds of second-tier institutions, primarily the National Investment Finance Company (FNI) or the Central American Bank for Economic Integration (CABEI – <http://www.bcei.hn/>). Export financing through the local banks is mostly short-term and carries higher interest rates than funds obtained through FNI or CABEI. Various methods of payment are utilized for export financing, the most common being on-sight and on-delivery. Virtually all Nicaraguan banks have correspondent relationships with U.S. banks (see "List of Banks with Correspondent U.S. Banking" below).

- **TYPES OF AVAILABLE EXPORT FINANCING AND INSURANCE**

The U.S. Export-Import Bank (www.exim.gov/) provides coverage for sales to the private sector. Nicaragua participates in the U.S. Department of Agriculture's GSM-102/103 programs (www.fas.usda.gov/excredits/exp-cred-guar.html) providing credit guarantees for the importation of selected U.S.-origin agricultural products.

- **PROJECT FINANCING AVAILABLE**

The U.S. Overseas Private Investment Corporation (www.opic.gov/) provides financing and insurance for investments with U.S. investor participation. OPIC offers loans and loan guarantees for projects with a minimum 25 percent U.S. investor beneficial interest and political risk insurance covering currency inconvertibility, expropriation, and political violence. It also provides specialized coverage for leasing, oil and gas exploration, natural resources, and contractors.

Some project financing is available through FNI and CABEI. FNI manages a series of funds from international donors, including projects for non-traditional exports, small business support, renovation of coffee plantations, and assistance to the livestock sector. CABEI manages project funds for a variety of purposes, including agroindustry manufacturing, tourism, and export industries. Private sector financing is also provided by the Inter-American Development Bank (through its Multilateral Investment Fund and Inter-American Development Corporation) and the World Bank (through its International Finance Corporation).

- **LIST OF BANKS WITH CORRESPONDENT U.S. BANKING**

Private Nicaraguan banks have the following correspondent U.S. banks (the first three correspondents listed for each bank are the most important for that bank):

Banco de America Central (BAC)

Popular Bank of Florida, Miami, FL
Nations Bank of Florida, Miami, FL

Banco de Crédito Centroamericano (BANCENTRO) (www.bancentro.com.ni/)

Citibank of New York, New York, NY
Nations Bank International, Miami, FL
Popular Bank of Florida, Miami, FL
Dresdener Bank Latin America AG, Miami, FL
First Union Bank of Florida, Miami, FL
Hamilton Bank, N.A., Miami, FL
Executive National Bank, Miami, FL
Barclays Bank, Miami, FL
Republic National Bank, Miami, FL

Banco de Exportación, S.A. (BANEXPO) (www.banexpo.com.ni/)

Bankamerica International, Miami, FL
Amtrade International Bank, Miami, FL
Pacific Bay Bank, San Pablo, CA
American Express Bank International, Miami, FL
Hamilton Bank, NA, Miami, FL
American Express International Bank, Miami, FL
Banco Central Hispano, Miami, FL
The International Bank of Miami, Miami, FL
Barnett Bank, N.A., Miami, FL

Banco Mercantil (BAMER) (www.bancomer.nic.com/)

Nations Bank NA, Miami, FL
Executive National Bank, Miami, FL
Republic National Bank, Miami, FL
Hamilton Bank, N.A, Miami, FL
Dresdener Bank Latin America AG, Miami, FL
Popular Bank of Florida, Miami, FL
Chase Manhattan, New York, NY
Junior Planter Bank, Miami, FL
Chemical Bank, Miami, FL
Pine Bank, Miami, FL

Banco de la Producción, S.A. (BANPRO) (www.notifax.com.ni/banpro/)

Nations Bank International, Miami, FL
Bankamerica International, Miami, FL
Barclays Bank, PLC, Miami, FL
Banco Internacional de Costa Rica, Miami, FL
Popular Bank of Florida, Miami, FL

Hamilton Bank, N.A., Miami, FL

Banco de Finanzas, S.A. (BANFIN) (www.bcofinanzas.com.ni/)

Nations Bank International, Miami, FL

Banco Atlántico, Miami, FL

Banco Intercontinental, S.A. (Interbank) (www.interbank-nic.com/)

Nations Bank of Florida, Miami, FL

Banco Internacional de Costa Rica, Miami, FL

Banco Caley Dagnall

Terra Bank, Miami, FL

Pine Banking Corporation, Miami, FL

Republic National Bank, Miami, FL

Tower Financial Corporation, Miami, FL

Bank of America, Miami, FL

Bankamerica International, Miami, FL

Banco del Café (BANCAFE) (www.bancafe.com.ni/)

First Union National Bank of Florida, Miami, FL

Pacific National Bank, Miami, FL

Bankamerica International, Miami, FL

Banco Nicaraguense de Industria y Comercio (BANIC)

Popular Bank of Florida, Miami, FL

Intercredit Bank, N.A., Miami, FL

Bank of America International, Miami, FL

Chemical Bank, New York, NY

Chase Manhattan, New York, NY

Nations Bank of Florida, Miami, FL

Hamilton Bank, Miami, FL

City Bank, New York, NY

Banco de Crédito Popular (BCP) – State-owned

BCP has no correspondent relationships with U.S. banks, but can conduct international operations with U.S. institutions through BANIC, BANPRO and BANCENTRO.

Primer Banco Inmobiliario de Nicaragua (PRIBANCO) does not yet have a correspondent bank relationship.

CHAPTER IX. BUSINESS TRAVEL

- **BUSINESS CUSTOMS**

Business customs are informal. However, the use of coats and ties or business suits is increasingly common. Delays are common in the start of scheduled appointments, and flexibility in business travel is recommended. Business lunches are lengthy, and most Nicaraguan executives are unavailable between Noon and 2:00 p.m. However, many executives and senior government officials work late into the afternoon.

- **TRAVEL ADVISORY AND VISAS**

No Department of State travel advisory is in effect for Nicaragua. However, travelers are encouraged to review the latest Department of State consular information sheet on Nicaragua prior to initiating travel (available at <http://travel.state.gov/nicaragua.html> or by calling 202-647-6575). U.S. citizens do not need to obtain a visa for visits of less than 90 days. Tourist cards are required and may be obtained upon entry for \$5.00. Visas are required for stays of 90 days or greater. Individuals wishing to establish themselves in the country must request a resident visa from the Office of Immigration. There is a departure tax of \$20.00.

- **HOLIDAYS**

The following holidays are observed in Nicaragua:

New Year's Day: January 1
 Holy Thursday: Variable (2000: March 30)
 Good Friday: Variable (2000: March 31)
 Labor Day: May 1
 Sandinista Revolution Day: July 19
 Festival of Santo Domingo: August 1
 Battle of San Jacinto: September 14
 Independence Day: September 15
 Immaculate Conception Day: December 8
 Christmas Day: December 25

- **BUSINESS INFRASTRUCTURE**

Transportation: According to the Ministry of Transportation, at the end of 1998, Nicaragua had a highway network consisting of 1111 miles of paved highways, 1524 miles of paved roads, 3925 miles of all-season unpaved roads and 5258 miles of dry-season unpaved roads. These numbers may not adequately reflect Hurricane Mitch damage. The Government has an ambitious program to repair hurricane damage and improve the road system. Many highways lack adequate maintenance.

Nicaragua has a total of six seaports, all of which are operated by the Government-run Port Authority (ENAP). The most suitable for commercial shipping is the Port of Corinto located on the Pacific Coast, 110 miles northwest of Managua. Corinto has a capacity of 1,516,900 tons annually and is presently upgrading its facilities. The Port Authority is improving Corinto's facilities and hopes that the result will sharply increase the port's competitiveness. Puerto Sandino, also located on the Pacific Coast, is primarily used for the import of crude petroleum. The remaining Pacific port of San Juan del Sur has limited capacity and uses barges to load and unload cargo. On the Atlantic Coast, Nicaragua has three seaports (El Bluff, El Rama and Puerto Cabezas). El Bluff and Puerto Cabezas are basically piers and handle limited cargo. El Rama is a roll-on, roll-off port and is located on the

Rama River, 40 miles from the coast. Most containerized sea cargo and fresh fruit are shipped by highway to Puerto Limon in Costa Rica or Puerto Cortes in Honduras.

Managua's International Airport is located 7 miles east of the city center and handles all international air passenger and cargo to and from Nicaragua.

Language: The official language of Nicaragua is Spanish, but English is spoken by some in business and government circles, as well as on the Atlantic coast.

Telephone Communications: Nicaragua's communication system (telephone, telex, etc.) is presently being updated with the installation of fiber optic technology. Telephone density is 3.0 telephones per 100 inhabitants. Public phones are just beginning to operate all over the country. Cellular phones are now available in Nicaragua with coverage over the entire Pacific Coast. Approximate cost per minute is 26 U.S. cents. Communications with the U.S. are readily available; AT&T, Sprint, and MCI maintain direct line service to the U.S.

Housing and Hotels: The following hotels in Managua cater to the international business traveler. Cost for a single room ranges from \$50 to 180 per night (excluding 15 percent tax). They are listed in approximate order of price (most expensive first):

Hotel Intercontinental, Tel: (505) 228-6991, Fax: (505) 228-3087 (Downtown)

Hotel Princess, Tel: (505) 270-5045, Fax: (505) 270-2574, E-mail: princess@munditel.com.ni (Near the center of the banking area, USAID, and the highway to Masaya)

Hotel Camino Real, Tel: (505) 263-1381, Fax: (505) 263-1380, E-mail: info@caminoreal.com.ni, Website: www.caminoreal.com.ni, (Near the Airport)

Hotel Mansion Teodolinda, Tel: (505) 228-7974, Fax: (505) 228-3692, E-mail: hotel@teodolinda.com.ni, Website: www.teodolinda.com.ni (Downtown)

Hotel Cesar, Tel: (505) 265-2728 and 265-2760, Fax: (505) 265-2888 (South Highway)

Hotel Ticomo, Tel: (505) 265-0210 and 265-1273, Fax: (505) 265-1529 (South Highway)

Hotel Las Mercedes, Tel: (505) 263-1081, Fax: (505) 263-1082/3, Website: www.lasmercedes.com.ni (Near Airport)

Hotel Estrella, Tel: (505) 289-7010/13, Fax: (505) 289-7010/3 (Near Bello Horizonte)

There are no first-class apartment buildings in Nicaragua. There is an ample supply of houses for rent, but rental costs are high, from \$750 to \$1,500 per month for a 3-bedroom house in safe neighborhoods.

Food: Numerous restaurants in Managua offer first-class international and continental cuisine. Outside of the capital, the local diet consists of chicken, beef, fish, rice, beans, plantains and potatoes.

Health: Health conditions in Nicaragua are improving, although it remains a tropical country with the presence of malaria, dengue fever, and a variety of gastro-intestinal disorders. Sanitary practices should be carefully followed, particularly outside of Managua. Typhoid, polio, tetanus, diphtheria and gamma globulin (or Hepatitis A) are recommended vaccinations prior to leaving the U.S., particularly for an extended stay.

Local hospitals are adequate for basic care. However, they fall short of U.S. standards and are not recommended for serious conditions. There are a modest number of U.S.-trained physicians. There are many pharmacies with adequate supplies of most commonly used medications.

- **TEMPORARY ENTRY OF GOODS**

Special procedures apply for the temporary entry of goods (e.g., laptop computers, business samples, professional equipment, and exhibit materials). Upon entry, a deposit must be made with Nicaraguan Customs (Direccion General de Aduanas) equal to the tariffs and duties that would be paid for a permanent import of the same item. The Customs office determines that amount on the spot, which can be in excess of 20 percent of the value of the item. This deposit is returned when the item leaves the country (must be within six months of entry). It is possible to complete the paperwork and pay the deposit ahead of time, although this must be done in person at the Customs office (phone 505-249-5719).

CHAPTER X. ECONOMIC AND TRADE STATISTICS

APPENDIX A -- COUNTRY DATA

	<u>1997</u>	<u>1998</u>	<u>1999</u>
Population (millions)	4.63	4.77	4.91
Population Growth Rate (%)	3.0	3.0	2.9
Religions	73% Catholic, 16% Protestant, 8% no preference, 2% other		
Government System	Democratic		
Languages	Spanish, English on Atlantic Coast		
Work Week	By law, 6 days (48 hours)		

APPENDIX B – ECONOMY: 1997, 1998, AND 1999 (PROJ.) IN USD MILLIONS

	<u>1997</u>	<u>1998</u>	<u>1999</u>
GDP	2,018	2,099	2,225
GDP Growth Rate (%)	5	4	6
GDP Per Capita	436	442	455
Government Spending as % of GDP	30.3	29.7	25
Inflation (%)	7.3	18.5	10
Unemployment (%)	14.3	12.3	11
Foreign Exchange Reserves (Net)	387	356	400
Average Exchange Rate for \$1.00	9.5	10.5	11.7
Debt Service Ratio (Ratio of Principal and Interest on Debt to Foreign Income)	39.5	28.0	22.5

APPENDIX C – TRADE: 1997, 1998, AND 1999 (PROJ.) IN USD MILLIONS

	<u>1997</u>	<u>1998</u>	<u>1999</u>
Total Country Exports (fob)	703	613	735
Total Country Imports (cif)	1371	1391	1600
U.S. Exports to Nicaragua	290	337	400
U.S. Imports from Nicaragua	439	453	481

APPENDIX D – INVESTMENT

As best as can be estimated from incomplete data, the in-flow of foreign direct investment into Nicaragua has almost doubled over the past two years – from \$97 million in 1996 to \$184 million in 1998, according to official government figures. At least one-third came from U.S. firms. Foreign sources accounted for about 40 percent of the \$442 million in new private investment in 1998. Overall new investment (public and private) in 1997 amounted to an estimated \$687 million –

approximately one-third of gross domestic product. Private investment flows are going primarily into construction, services, industry, mining, energy, tourism, and aquaculture.

CHAPTER XI. U.S. AND COUNTRY CONTACTS

APPENDIX E -- U.S. AND COUNTRY CONTACTS

(Contents: U.S. Embassy Contacts, Other U.S. Government Contacts, Bilateral Business Councils, Nicaraguan Government Agencies, Banks, Market Research Firms, International Financial Institutions, Trade and Industry Associations, Local Attorneys, Real Estate Agents)

U.S. EMBASSY TRADE PERSONNEL

Department of State
Chief, Economic/Commercial Section, Anthony Interlandi
Economic Officer, Timothy Stater
Economic/Commercial Officer, Isabella Detwiler
U.S. Embassy Managua
Unit 2703 Box 2
APO AA 34021
TEL: (505) 266-6010, ext. 4641; FAX: (505) 266-9056
E-mail: usbusiness@amemb.org.ni
Internet: www.usia.gov/abtusia/posts/NU1/wwwhcom.html

Commercial Assistant Javier Torres
U.S. Embassy Managua
Unit 2703 Box 2
APO AA 34021
TEL: (505) 266-6010, ext. 4559; FAX: (505) 266-9056
E-mail: torresjm@amemb.org.ni

U.S. Department of Agriculture/Foreign Agricultural Service (USDA/FAS)
Regional Agricultural Attaché Mr. Charles Bertsch
U.S. Embassy San Jose
APO AA 34020
TEL: (506) 220-3939; FAX: (506) 232-7709
E-mail: bertschc@fas.usda.gov

Agricultural Assistant Clare Creegan Chamorro
 U.S. Embassy Managua
 Unit 2703 Box 2
 APO AA 34021
 TEL: (505) 266-6010, ext. 4621; FAX: (505) 266-7006
 E-mail: fasmanagua@amemb.org.ni

Department of Commerce
 Partnership Post Commercial Attaché Frank Foster
 U.S. Embassy San Jose
 APO AA 34020
 TEL: (506) 220-2454; FAX: (506) 220-4783
 E-mail: ffoster@doc.gov

WASHINGTON-BASED USG COUNTRY CONTACTS

Department of State
 Nicaragua Country Desk Officer Gregory Thome
 ARA/CEN, Room 4915 Main State
 Washington, DC 20520
 TEL: (202) 647-1510; FAX: (202) 647-2597

Department of Commerce
 Nicaragua Country Desk Officer Elizabeth Jaffee
 Office of Latin America/Caribbean Basin Division
 Room 3021 - 14th & Constitution Avenue, N.W.
 Washington, DC 20230
 TEL: (202) 482-5680; FAX: (202) 482-4726
 E-mail: Elizabeth_Jaffee@ita.doc.gov

USDOC Inter-American Bank Development Office
 Commercial Liaison Officer Eric Weaver
 Office of the U.S. Executive Director
 1300 New York Avenue, N.W.
 Mail Stop E0209
 Washington, DC 20007
 TEL: (202) 623-3821; FAX: (202) 623-2039

USDOC Latin American/Caribbean Business Development Center
 Agribusiness Development Officer Thomas E. Wilde Jr.
 U.S. Department of Commerce, Room H3203
 Washington, DC 20230
 TEL: (202) 377-0703; FAX: (202) 377-2218
 TPCC Trade Information Center, 1-800-USA-TRADE

Department of the Treasury
Nicaragua Country Desk Officer Jeff Neil
15th & Pennsylvania Avenue
Room 5413
Washington, DC 20220
TEL: (202) 622-1268; FAX: (202) 622-1273

Overseas Private Investment Corporation (OPIC)
Manager of Investment Development Deborah Moronese
1100 New York Avenue, N.W.
Washington, DC 20527
TEL: (202) 236-8647; FAX: (202) 408-5155

Export-Import Bank of the U.S.
Intl. Business Development Officer Veronique Cavaillier
811 Vermont Ave., N.W.
Washington, DC 20571
TEL: (202) 565-3916; FAX: (202) 565-3931

U.S. Customs Service
Attaché for Central America/Caribbean Ed Mederos
10800 Sunset Drive, Suite 380
Miami, FL 33173
TEL: (305) 596-6405; FAX: (305) 596-1973
Internet site: www.customs.ustreas.gov

U.S. Department of Agriculture/Foreign Agricultural Service (USDA/FAS)
Trade Assistance and Promotions Office (Ag Box 1052)
Washington, DC 20250
TEL: (202) 720-7420; FAX: (202) 205-9728
E-mail: tapo@fas.usda.gov
Internet site: www.fas.usda.gov

U.S. Agricultural Trade Office, Western Hemisphere
William Westman
Stop 1080
1400 Independence Ave., S.W.
Washington, DC 20520-1080
TEL: (202) 720-3221, FAX: (202) 720-6063
E-mail: westman@fas.usda.gov

AMCHAM AND BILATERAL BUSINESS COUNCILS

Cámara de Comercio Americana de Nicaragua
(Nicaraguan/American Chamber of Commerce)
President Armando Castillo Matus
Executive Director: Desiree Pereira
Carretera Masaya, del Sandy's, 1c. abajo, Managua
TEL: (505) 267-3099, 267-3633; FAX: (505) 267-3098
Apartado Postal: 2720 Managua, Nicaragua
Email: amcham@ns.tmx.com.ni
Internet site: www.sgc.com.ni/amcham

Nicaraguan American Chamber of Commerce in Miami
President Oscar Fonseca
444 Brickell Avenue, Suite 51-168
Miami, FL 33131
TEL: (305) 448-2495; FAX: (305) 375-0362

Assoc. of American Chambers of Commerce in Latin America
President David Ivy
1615 H Street NW
Washington, DC 20062-2000
TEL: (202) 463-5485; FAX: (202) 463-3126

NICARAGUAN GOVERNMENT AGENCIES

Ministerio Agropecuario y Forestal (MAG-FOR)
(Ministry of Agriculture and Forestry)
Minister, Dr. Mario De Franco
Km 8-1/2 Carretera a Masaya, Managua
TEL: (505) 276-0233, 276-0235; FAX: (505) 276-0943

Ministerio de Transporte e Infraestructura (MTI)
(Ministry of Transportation and Infrastructure)
Minister, Ing. Jaime Bonilla
Frente al Estadio Nacional, Managua
TEL: (505) 228-2061, 228-3698; FAX: (505) 228-2060

Ministerio de Fomento, Industria y Comercio (MIFIC)
(Ministry of Development, Industry and Trade)
Minister, Dr. Noel Sacasa
Frente al Centro Comercial Camino de Oriente, Managua
TEL: (505) 267-0002, 267-0009; FAX: (505) 267-0041
Internet site: www.economia.gob.ni

Ministerio de Hacienda y Credito Publico

(Ministry of Finance)
 Minister, Ing. Esteban Duque Estrada
 Frente a la Asamblea Nacional, Managua
 TEL: (505) 228-7061, 228-1255; FAX: (505) 222-3033
 Internet site: www.minfin.gob.ni

Ministerio de Salud
 (Ministry of Health)
 Minister, Lic. Martha McCoy
 Complejo de Salud “Concepción Palacios”, Managua
 TEL: (505) 289-7811, 289-7164; FAX: (505) 289-7671

Banco Central de Nicaragua
 (Central Bank of Nicaragua)
 President, Dr. Noel Ramirez
 Edificio Banco Central, Managua
 TEL: (505) 265-0460, 265-1843; FAX: (505) 265-2272
 Internet site: www.bcn.gob.ni

Instituto de Turismo (INTURISMO)
 President, Arq. Lorenzo Guerrero
 Antojitos 1 c. abajo y 1 c. al sur, Managua
 TEL: (505) 228-1238, 228-1337; FAX: (505) 228-1187
 Internet site: www.intur.gob.ni

Ministerio del Ambiente y Recursos Naturales (MARENA)
 (Ministry of Environment and Natural Resources)
 Minister, Ing. Roberto Stadthagen
 Km. 12-1/2 Carretera Norte, Managua
 TEL: (505) 263-1273, 263-1271; FAX: (505) 263-1274

ENITEL
 (Telephone Company)
 Executive President, Ing. Jorge Solis
 TELCOR Villa Fontana, Managua
 TEL: (505) 278-4444 ext. 72100; FAX: (505) 278-8651

TELCOR
 (Telecommunications Regulator)
 Director, Ing. Mario Montenegro
 Entrada a Portezuelo, Managua
 TEL: (505) 263-2171, ext. 400, FAX: 222-7328

Compañía Nicaragüense de Energía (ENEL)
 (Electric Utility)
 President, Ing. Edgard Quintana
 ENEL Central, Managua
 TEL: (505) 267-4103, 267-2688; FAX: (505) 267-4377

Instituto Nicaragüense de Energía (INE)
 (Nicaraguan Energy Institute)
 Director, Ing. Octavio Salinas
 INE Central, Managua
 TEL: (505) 228-2057/58; FAX: (505) 222-7052
 Internet Site: www.ine.gob.ni

Corporacion de Zona Francas
 (Free Trade Zones Administration)
 Executive President, Lic. Jorge Alberto Montealegre
 Km. 12-1/2 Carretera Norte, Managua
 TEL: (505) 263-1530; FAX: (505) 263-1700

ADPESCA
 (Fisheries Directorate of the Ministry of Development, Industry and Trade)
 Executive President, Lic. Miguel Marengo
 Km. 7 Carretera Sur, Managua
 TEL: (505) 265-0593; FAX: (505) 265-0590

NICARAGUAN COMMERCIAL BANKS

Banco de la Producción (BANPRO)
 Gerente General Lic. Arturo Arana U.
 Plaza Libertad, Contiguo a Metrocentro
 Apartado 2309, Managua
 TEL: (505) 278-2508; FAX: (505) 278-4113, 277-3996

Banco Nicaraguense de Industria y Comercio (BANIC)
 Gerente General Lic. Orlando Castro
 Centro Financiero BANIC, Managua
 TEL: (505) 267-2730; FAX: (505) 267-2127

Banco de Crédito Centroamericano (BANCENTRO)
 Gerente General Ing. Julio Cardenas
 Edificio BANCENTRO
 Km. 4-1/2 Carretera Masaya, Managua
 TEL: (505) 278-2777; FAX: (505) 278-6001
 Internet site: www.bancentro.com.ni

Banco de Exportación (BANEXPO)
 Gerente General Ing. Adolfo Arguello
 Centro Comercial Metrocentro, Managua
 TEL: (505) 278-7171; FAX: (505) 277-3154
 Internet site: www.banexpo.com.ni

Banco de America Central (BAC)

Gerente General Lic. Carlos Matus Tapia
 Frente a la Loteria Nacional
 Apartado 2304, Managua
 TEL: (505) 267-0220/3; FAX: (505) 267-0224

Banco Popular
 Presidente Ejecutivo Ing. Gustavo Narvaez
 Centro Comercial Nejapa, Managua
 TEL: (505) 265-0331; FAX: (505) 265-1337

Banco Mercantil (BAMER)
 Gerente General Lic. Victor Urcuyo
 Plaza Banco Mercantil, Managua
 TEL: (505) 266-8228/31; FAX: (505) 266-8024
 Internet Site: www.bancomer.nic.com

Banco Intercontinental (Interbank)
 Gerente General Lic. José Felix Padilla
 Semaforos Centroamerica, Managua
 TEL: (505) 278-5959; FAX: (505) 278-3535 and 278-3537
 Internet site: www.interbank-nic.com

Banco de Finanzas (BANFIN)
 Gerente General Lic. Silvio Lanuza
 Esquina Opuesta Hotel Intercontinental, Managua
 TEL: (505) 222-2444; FAX: (505) 228-3056/7
 Internet site: www.bcofinanzas.com.ni

Banco de Cafe de Nicaragua (BANCAFE)
 Gerente General Lic. Jose Antonio Arias
 Semaforos de Lozelza, Managua
 TEL: (505) 278-4478, 278-4442; FAX: (505) 278-3461
 Internet site: www.bancafe.com.ni

Banco Caley Dagnall
 Gerente General Ing. Mauricio Pearson
 Km. 3 Carretera Sur, Managua
 TEL: (505) 268-0068; FAX: (505) 268-0069

Primer Banco Inmobiliario de Nicaragua (PRIBANCO)

Gerente General Santiago Urbina G.
 Frente al Coliseo, Carretera a Masaya, Managua
 TEL: (505) 277-2563, 277-2627, 277-2691

NICARAGUAN MARKET RESEARCH FIRMS

Grupo Empresarial Nicaraguense, S.A.
 Director General Nelson Estrada Solórzano
 Costado Sur Iglesia Las Sierritas de Sto. Domingo

Apdo 102-A, Managua

TEL: (505) 278-5013/14, 276-0556; FAX: (505) 276-0583

CID/GALLUP

Manager for Nicaragua and El Salvador, Sr. Federico Denton

Del Cartel, 2 c. abajo, Carretera a Masaya, Managua

TEL: (505) 278-3132; FAX: (505) 278-1066

INTERNATIONAL FINANCIAL INSTITUTIONS

Inter-American Development Bank (IDB)

Resident Representative Martin Stabile

Km. 4-1/2 Carretera a Masaya

Apdo. 2412, Managua

TEL: (505-2) 267-0831 / 0832 / 0833; FAX: (505) 267-3469

International Monetary Fund (IMF)

Resident Representative Joaquin Harnack

Banco Central de Nicaragua

Km. 7 Carretera Sur, Managua

TEL: (505) 265-2552; FAX: (505) 265-1923

World Bank (IBRD)

Resident Representative Mr. Ulrich Lachler

Edificio del Ministerio de Cooperacion Externa, Managua

TEL: (505) 222-7089; FAX: (505) 222-3385

Central American Bank for Economic Integration (CABEI / BCEI)

Resident Representative Roger Arteaga

Plaza Espana, Managua

TEL: (505) 266-4120; FAX: (505) 266-4143

NICARAGUAN TRADE OR INDUSTRY ASSOCIATIONS IN KEY SECTORS

Centro de Exportaciones e Inversiones (CEI)

(Center for Exports and Investment)

Executive Director: Lic. María Hurtado de Vigil

Del Hotel Intercontinental, 2c. al sur, 1c. abajo, 1c. al sur, Managua

TEL: (505) 268-3860, 268-1064; FAX: (505) 268-1063

Internet: <http://www.cei.org.ni>

Cámara de Comercio de Nicaragua (CACONIC)

(Chamber of Commerce of Nicaragua)

President: Lic. Willy Rivas Icaza, General Manager: Lic. Manuel Bermúdez

Plaza Espana, 2c. al sur, 1/2c. arriba, Managua

TEL: (505) 268-3505, 268-3524; FAX: (505) 278-3600

E-mail: caconic@teledata.com.ni

Cámara de Industrias de Nicaragua (CADIN)
 (Chamber of Industries of Nicaragua)
 President: Enrique Salvo; Secretary: Dr. Gilberto Solís
 De los semáforos de Plaza España 300 mts al sur, Managua
 TEL: (505) 266-8847/51; FAX: (505) 266-1891

Asociación de Distribuidores de Productos de Consumo de Nicaragua
 (Association of Consumer Product Distributors)
 General Manager: Lic. María José Quiroz de Portobanco
 Km 4-1/2 Carretera Norte, Módulo 12, Oficentro Norte, Managua
 TEL: (505) 248-2154; FAX: (505) 249-0079

Cámara de la Construcción de Nicaragua
 (Nicaraguan Chamber of Construction)
 President: Ing. Francisco Reyes
 Bolonia de Aval Card, 2c. abajo, 50 vrs al sur, Managua
 TEL: (505) 268-3327; FAX: (505) 266-2925
 Email: cnc@nicarao.org.ni

Cámara de la Pesca de Nicaragua (CAPENIC)
 (Fishing Chamber)
 Executive Director: Dr. Armando Segura
 Camino de Oriente, Edificio B-2, Modulo A-6, Managua
 TEL: (505) 278-7091, 277-0646; FAX: (505) 278-7054

Cámara Minera de Nicaragua (CAMINIC)
 (Mining Chamber)
 Executive President: Frank Mena, General Manager: Hector Mairena
 Bo. Bolonia, de la Optica Nicaraguense 1c. arriba, 1/2c. al sur, Managua
 TEL: (505) ; FAX: (505) 266-8753

Cámara de Firmas Nicaraguenses de Contadores Públicos y Consultores
 President: Lic. Noel Cruz P.
 Costado Sur de Telcor, Las Palmas, Managua
 TEL: (505) 266-0066; FAX: (505) 266-2347
 Apartado Postal No. 2077, Managua, Nicaragua

Consejo Superior de la Empresa Privada (COSEP)
 (High Council for Private Enterprise)
 President Ing. Nestor Pereira, Executive Director: Dr. Orestes Romero Rojas
 TELCOR Zacarías Guerra 175 mts abajo, Managua
 TEL: (505) 228-2030/40; FAX: (505) 228-2041
 Apartado Postal No. 5430, Managua, Nicaragua

Comité Nacional de Productores de Azúcar (CNPA)
 (National Sugar Producers Committee)
 General Manager: Lic. Noel Chamorro

Sandy's Carretera a Masaya 1 c. arriba 1 c. al sur, Casa #51, Colonial Las Robles
 Apartado Postal No. A-223, Managua
 TEL: (505) 267-8202, 277-5447; FAX: (505) 267-0197

Unión de Productores Agropecuarios de Nicaragua (UPANIC)
 (National Union of Agricultural Producers)
 Executive Secretary: Ing. Alejandro Raskosky
 Reparto San Juan No. 300, Detrás del Gimnasio Hércules, Managua
 TEL: (505) 278-3382/84; FAX: (505) 278-2587, 278-3291

Asociación Nicaragüense de Productores y Exportadores de Productos No-Tradicionales (APENN)

(Association of Producers and Exporters of Non-Traditional Products)
 General Manager: Lic. Mario Amador Rivas
 Hotel Intercontinental 2 c. al sur 2 c. al oeste, Managua
 TEL: (505) 222-7063, 222-7067/8, 266-5038; FAX: (505) 266-5039

Cámara Nacional de Turismo
 (National Chamber of Tourism)
 Executive Director: Dr. Mario Medrano
 Contiguo al Ministerio de Turismo, Managua
 TEL: (505) 266-5071; FAX: (505) 266-5071

Federación de Asociaciones de Ganaderos de Nicaragua (FAGANIC)
 (Federation of Nicaraguan Cattle Associations)
 President: Ing. Juan José Roa
 Entrada Principal, Centro Comercial Managua
 TEL: (505) 277-2976, 277-2947; FAX: (505) 267-0084

Asociación Nicaragüense de Formuladores y Distribuidores de Agroquímicos (ANIFODA)
 (Nicaraguan Association of Agrochemical Blenders and Distributors)
 Executive Secretary Dr. Salvador Borgen
 P.O. Box 2067, Managua

Asociación de Bancos Privados de Nicaragua (ASOBANP)
 (Private Banking Association)
 Executive Secretary: Dr. Francisco Ortega
 Distribuidora Vicky 1 c. al sur 1 c. arriba, No. 235, Managua
 TEL: (505) 278-3821; FAX: (505) 278-3820

Unión Nicaragüense de Pequeña y Mediana Empresas (UNIPYME)
 (Small and Mid-Sized Business Association)
 President: Lic. Rafael Solorzano, Executive Director: Lic. Vilma de Solís
 Ciudad Jardín L-16, Managua
 Apartado Postal No. 115, Managua
 TEL: (505) 249-0662; FAX: (505) 249-0662

Confederacion de Asociaciones Profesionales de Nicaragua (CONAPRO)
(Confederation of Professional Associations)

President: Dr. Arturo Prado

Canal 2 1 c. al sur 150 vrs. al oeste, Managua

TEL: (505) 266-4065, 266-2349, FAX: (505) 266-4650

Instituto Nicaraguense de Desarrollo (INDE)

(Nicaraguan Development Institute)

President: Ing. William Báez

Camas Lunas 1 c. al Oeste, Calle 27 de Mayo, Managua

Apartado Postal No. 2598, Managua

TELEFAX: (505) 268-1900/1.

Asociación Nicaraguense de Ingenieros y Arquitectos (ANIA)

(Association of Architects and Engineers)

President: Ing. César Avilez Haslam

Bolonia Aval Card, 1 1/2c. abajo, Edificio de CONAPRO, 4 Piso

Apartado Postal No. 1408, Managua

TEL: (505) 268-3507, FAX: (505) 268-3508

Cámara Nacional de la Mediana y Pequeña Industria (CONAPI)

(Small and Mid-Sized Industries Chamber)

President: Flora Vargas

Centro de Exposiciones La Piñata, Managua

TEL: (505) 278-4892, 277-5910, Fax: (505) 267-0192

NICARAGUAN ATTORNEY LIST

The Embassy does not guarantee the professional ability or integrity of the persons on this list. Their names are arranged alphabetically. All reside in Managua, speak English, and are Public Notaries. An asterisk following the name indicates the attorney has registered his/her signature at the U.S. Consulate, facilitating the authentication of local documents for use in the U.S.

Gloria ALVARADO and Associates

Industrial Property Law, Commercial Law, Banking Law, International Law/Foreign Investment, Privatization, Real Estate, Labor Law, Environmental Law, Commercial Litigation

Del Lacmiel, 5c. Arriba, 300 mts a la Derecha, No. 75

TEL: 505-277-4028 and 278-7708; FAX: 505-278-7491

E-Mail: alvasoc@ns.tmx.com.ni. Internet site: www.lexmundi.org/052.html

Emilio BARRIOS and Associates (*)

Corporate Law, International Banking, Business Law, Patents, Trademarks, and Civil Litigation

Detras del Restaurante la Marsellaise, 1c. Abajo

TEL: 505-278-0019; FAX: 505-278-6576

E-mail: barrios@ibw.com.ni

Guy Jose BENDAÑA-Guerrero and Associates

Intellectual Property Law, Chemical Patents, License Negotiation, Industry Models, Trade Marks, Patents, Pharmaceutical Patents, General Intellectual Property Practice.

Porton Antiguo Hospital El Retiro, 1c. al Lago

TEL: 505-266-5696 and 266-5697; FAX: 505-266-8863

E-Mail: guybengu@ibw.com.ni

Francisco José BOZA Páiz and Associates (*)

Business, Fiscal and Banking Law

Parque las Madres 1 c. al Lago, Casa No. 1603

TEL: 505-266-8860 and 266-2374; FAX: 505-266-2374

Terencio GARCIA of Mayorga, Valdivia, Rivas, and Escobar

Corporate Law, Finance

Apartado Postal 2536, Managua

TEL: 505-268-2233; FAX: 505-268-2234

GRUPO LEGIS

Banking, Judicial, Corporate, Property, Tax and Public Law, Associate to Martinez and Gutierrez in Miami, Florida

Ministerio de Defensa, 1 c. Oeste y 30 vrs. Norte #422, Apartado Postal 6208, Managua

TEL: 222-4694/222-2187; FAX: 222-2098

EMAIL: Legis@ibw.com.ni

LÓPEZ Arguello, Morales & Associates

Patent and Trade Marks, Foreign Investment, Banking, Customs, Foreign Trade, Real State Corporations, Administrative, Commercial, Civil, Labor and Tax Law, Oil and Mineral, Agency and Distribution Agreements, Insurance, Litigation and Arbitration

Canal 2, 300 vrs al Oeste, 25 mts al Sur

TEL: 505-266-0803 and 268-3070; FAX: 505-268-0017

Alvaro MARTINEZ Cuenca

General Practice, Trademarks and Patents

Centro Comercial San Francisco, H-5

TEL: 505-278-0330; FAX: 505-277-1032

E-Mail: ccisa@sgc.com.ni Internet site: sgc.com.ni/ccisa

Mauricio MARTÍNEZ Espinoza

Civil and Criminal Law

Altamira D'este, de la Farmacia 5ta. Avenida 1c Sur y 1 c. Ester, #644

TEL: 249-6657/249-6659 (afternoons only)

Juan Alvaro MUNGUIA A., Luis Chávez Escoto and Associates

Banking and Security Law, General Corp., Commercial Law, Leasing & Project Finance, Foreign Investment, Mergers & Acquisitions, Private & Administrative Law, Telecommunications,

Mining/Oil/Gas, Environmental, Intellectual Property and Technology Law, Labor Law, Litigation and Arbitration/Bankruptcy/Product Liability, Pharmaceutical, General Insurance, Aviation & Shipping Law, Taxation and Customs Law, Real Estate Law

Edificio Málaga, Plaza España (2 nd floor)

TEL: 505-266-4157 and 266-1211; FAX: 505-266-4156

E-Mail: jmunguia@ibw.com.ni Internet site: www.lexmundi.org

NICARAGUAN REAL ESTATE FIRMS

Bienes Raices Alpha, S.A.

Las Palmas detras del TELCOR, Managua

TELEFAX: 505-266-5678

Bienes Raices Sotelo & Novoa, S.A.

Cine Altamira, 2 1/2c. abajo, #437, Managua

TEL: 505-277-3401; FAX: 505-278-2790

Blandon Bienes Raices

Sandy's Carretera a Masaya, 2c. arriba, #76, Managua

TEL: 505-278-5306; FAX: 505-278-0045

Gonzalez Pasos Bienes Raices

Parque Las Palmas, 1/2c. al oeste, Managua

Apartado Postal 2130, Managua

TEL: 505-266-8910; FAX: 505-266-1002

E-mail: gonpasos@ibw.com.ni Internet: www.GonzalezPasosRealtors.com/

Rappaccioli International Investment, S.A.
 TELFAX: 305-665-2187 (Miami), 505-266-6763

Real Team Bienes Raices, S.A.
 Sandy's Carretera a Masaya, 2c. arriba, 20 vrs. al lago, Managua
 TEL: 505-278-2676; FAX: 505-278-2657

RE/MAX Nicaragua
 General Manager Marcos Menocal
 Calle El Arsenal, #305, Granada
 TELFAX: 505-552-4562; Cellular: 0882-3585

Sniders Realty
 P.O. Box 3931, Managua
 TEL: 505-278-3230; TELFAX: 505-552-4702
 E-mail: sreality@ibw.com.ni Internet: www.ibw.com.ni/~sreality/

CHAPTER XII.

MARKET RESEARCH AND TRADE EVENTS

APPENDIX F -- MARKET RESEARCH

AVAILABLE IMIs (Economic and Sector Studies)

(Listed by title and Embassy Managua telegram number. Reports are available through the Embassy's Econ/Commercial Section and most are posted on the Embassy web site at www.usia.gov/posts/managua)

- The Market for Microcomputer Systems and Accessories in Nicaragua, Managua 0014
- Nicaragua's Stock Market, Managua 0451
- Nicaraguan Financial System, Managua 0721
- Nicaragua's Economy 97-98: Best Performance in Nearly Two Decades, Managua 0751
- Landmark Tax Reform Bill Approved, Managua 1878
- Government Procurement in Nicaragua: Process and Opportunities, Managua 2240
- Recent Developments-Nicaragua, Managua 2365 and others
- Aleman Government Tackles Nicaragua's Energy Challenge, Managua 3322
- Nicaraguan Tourist Industry, Managua 3323
- Nicaraguan Private Investment Trends, Managua 3399
- Transportation: Challenges and Commercial Opportunities, Managua 4328
- Nicaragua's Four New Energy Laws, Managua 1649
- Recent Economic Trends, Managua 2954
- Nicaragua Announces Privatization Process of State-Owned Telecommunications Firm, Managua 3031
- Economic Effects of Hurricane Mitch on Nicaragua, Managua 3348
- Nicaragua sets out to Transform Itself with International Help, Managua 3462

USDA/FAS COMMODITY REPORTS AND MARKET BRIEFS

(Key agricultural commodity reports on Nicaragua by USDA/FAS. Reports are available through the Embassy's Agricultural Office.)

- NU-8002 Nicaragua Rice Report 2 Jun 98
- NU-8003 Nicaragua Coffee Report 1 Jun 98
- NU-8004 Nicaragua/Mexico Free Trade Agreement 29 Jun 98
- NU-8005 Grain and Feed Situation - Nicaragua 29 Jun 98
- NU-8006 Livestock Annual Report - Nicaragua 22 Jul 98
- NU-8007 Poultry Report - Nicaragua 22 Jul 98
- NU-8009 Nicaragua: Preliminary Agricultural Damage Report from Hurricane Mitch 4 Nov 98
- NU-8010 Nicaragua: Coffee Semi-Annual Report 16 Nov 98
- NU-8011 Nicaragua and Hurricane Mitch: 2nd Preliminary Report
- NU-9001 Nicaragua: Response to Hurricane Mitch: Some of the Activities
5 Feb 99
- NU-9002 Nicaragua, Hurricane Mitch and Grain and Feed 5 Feb 99
- NU-9003 Nicaragua, Hurricane Mitch and Oilseed Production 5 Feb 99
- NU-9004 Nicaragua, Hurricane Mitch and Bananas 5 Feb 99
- NU-9005 Nicaragua, Hurricane Mitch and Tobacco 5 Feb 99
- NU-9006 Nicaragua, Hurricane Mitch and Sugar 5 Feb 99
- NU-9007 Nicaragua, Hurricane Mitch and Fruit and Vegetables 11 Feb 99
- NU-9008 Nicaragua, Hurricane Mitch and Coffee 12 Feb 99
- NU-9009 Nicaragua, Hurricane Mitch and the Livestock Sector (including Poultry) 17 Feb 99
- NU-9010 Nicaragua, Hurricane Mitch and Aquaculture 19 Feb 99
- NU-9011 Nicaragua: Sugar Annual Report 10 Apr 99
- NU-9012 Nicaragua: Coffee Annual Situation Report 14 Jun 99

APPENDIX G -- TRADE EVENT SCHEDULE

(Firms should consult the Export Promotion Calendar on the National Trade Data Base or contact Embassy Managua at usbusiness@amemb.org.ni for more information.)

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- Feria de Unipyme (Small and Medium Industry Exposition). In Managua each year in early August and early December.
- EXPICA (Central American Livestock Exposition). Each year the last week of August at Parque de Ferias IFAGAN in Managua. 1999 dates are July 22 to August 1. Contact: Mr. Walter Zavala, TEL: (505) 266-9634; FAX (505) 266-0479.